

DAILY REPORT

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NAKASONE URGES NEW USSR FOREIGN MINISTER TO VISIT

OW021239 Tokyo KYODO in English 1229 GMT 2 Jul 85

[Text] Tokyo, July 2 KYODO -- Despite a major shakeup in the Soviet leadership which has put a new man in the post, Japan intends to keep urging the country's foreign minister to visit Tokyo, Prime Minister Yasuhiro Nakasone suggested Tuesday. Tokyo's longstanding invitation to Andrey Gromyko, former foreign minister, "still stands" for his successor Eduard Shevardnadze, Nakasone told reporters in commenting on the just announced reshuffle in the Kremlin.

In the wake of the change of the Soviet foreign minister, Nakasone said, he wants to see Japan further deepen friendly relations with the Soviet Union. On the Soviet shakeup as a whole, Nakasone declined to comment, saying that there was not enough information.

Nakasone said he had instructed the Foreign Ministry to send a congratulatory telegram to Gromyko on his elevation to president. The Japanese Government has long invited Gromyko to come to Japan for regular foreign ministerial talks. But Gromyko had been reluctant to do so, saying the time was not ripe. Tokyo hopes that a visit to Japan by a Soviet foreign minister will help resolve pending issues between the two countries, notably the territorial dispute over the Soviet-held islands off Hokkaido, Japan's northern main island.

FUJINAMI NOTES U.S.-USSR SUMMIT AT PRESS MEETING

OW030925 Tokyo KYODO in English 0900 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- Japanese Prime Minister Yasuhiro Nakasone will try to get assurance from French President Francois Mitterrand in his coming 10-day European trip that he will attend the Tokyo summit scheduled for May next year, the chief cabinet spokesman said Wednesday.

Nakasone will stress the importance of unity among Western industrialized nations for maintaining world peace in his talk with Mitterrand, who reportedly expressed his reluctance to come to Japan for the Tokyo summit during the Bonn summit conference last May, Chief Cabinet Secretary Takao Fujinami said. Nakasone will also work for realizing a summit meeting between the United States and the Soviet Union at the earliest time possible during his trip to France, Italy, Vatican and Belgium starting July 12, Fujinami said. There is a possibility of a meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev taking place in Geneva next November, Fujinami said.

Nakasone's top aide briefed businessmen at a Tokyo hotel on various problems facing the two-year and seven-month-old Nakasone cabinet. Nakasone has repeatedly emphasized to Reagan the importance of a personal meeting with the Soviet leader, Fujinami said.

The 52-year-old Fujinami, one of new leaders belonging to the Nakasone faction, also said the Nakasone cabinet is facing a crucial point this month. The toughest problem facing Nakasone is fulfilling his commitment to simplify the Japanese standards and certification systems and other import procedures in the outline of Japan's market-opening action program to be compiled, Fujinami said. The government is doing all it can to give wider foreign access to the Japanese market according to the idea of free in principle and restrictions as exceptions, he said. Some senior U.S. officials described the current American sentiment toward Japan as worse than the one immediately before the Second World War, Fujinami said, seeking cooperation of the attending businessmen.

NAKASONE, HENRY KISSINGER DISCUSS SOVIET SHAKEUP

OW030505 Tokyo KYODO in English 0448 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- A recent shakeup of the Soviet Communist Party and state organizations is a clear indication that party chief Mikhail Gorbachev is fully supported by the party, military and security intelligence agency KGB, former U.S. Secretary of State Henry Kissinger said here Wednesday. Kissinger referred to the appointment of Foreign Minister Andrey Gromyko to the Presidency and the removal of senior party official Grigoriy Romanov from the lineup of the powerful Politburo. He discussed the matter in a meeting with Prime Minister Yasuhiro Nakasone. Romanov had been regarded as Gorbachev's main rival for the top party post at the time of previous leader Konstantin Chernenko's death.

Kissinger was quoted as saying in the meeting that the personnel changes were brought through a "brave" decision by Gorbachev and that they indicate full support of the party general secretary by the party, the military and the security agency. Kissinger is here on a private visit.

U.S. CONGRESS DELEGATION MEETS BUSINESS LEADERS

OW021311 Tokyo KYODO in English 1236 GMT 2 Jul 85

[Text] Tokyo, July 2 KYODO -- A delegation of the U.S. House of Representatives Tuesday urged the Japanese business community to make concerted efforts with the government to give foreign products greater access to the Japanese market. The group, led by Berkley Bedell, Democrat from Iowa, made the call at a luncheon hosted by Norishige Hasegawa, vice chairman, and other leaders of the Federation of Economic Organizations (Keidanren). The U.S. delegation consists of congressmen from the northeast and midwest parts of the U.S.

Here to investigate trade friction between Japan and the U.S., the group pointed to fast-rising criticism of Japan in the U.S., saying that congressmen cannot but be concerned about industries in their constituencies when they fail to penetrate the Japanese market. Washington has been pressing Tokyo to step up imports from the U.S. and reduce the huge trade surplus in Japan's favor.

Japanese business leaders told the delegation that they are pursuing a basic policy of avoiding concentration of exports of particular products through voluntary export restraint as with steel exports. They also pointed out that the government is now drawing up an "action program" for opening the Japanese market wider, including relaxation of standards and certification systems for imported goods.

The congressional delegation also visited the Ministries of Foreign Affairs, International Trade and Industry, and Agriculture, Forestry and Fisheries for briefings on the contents of the "action program" to be announced later this month. During the visits, the group particularly called for increased imports of farm products. But the Agriculture, Forestry and Fisheries Ministry said that Japan's agricultural market cannot afford to meet U.S. expectations, noting, as an instance, that demand for livestock products is slackening. The group will meet with Prime Minister Yasuhiro Nakasone Thursday and visit a semiconductor plant Friday.

MITI'S MURATA MEETS IRANIAN PARLIAMENTARY SPEAKER

OW030451 Tokyo KYODO in English 0436 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- Iranian Parliament speaker Hashemi Rafsanjani said Wednesday Iran will accord fair treatment to Japan over the matter of damage to the Japan-Iran joint petrochemical project, which has been halted by the Iran-Iraq war, Japanese officials said.

Rafsanjani made the remark when International Trade and Industry Minister Keijiro Murata asked him to reopen the stalled Iran-Japan Petrochemical Co. (IJPC) project, in accordance with the supplementary agreement signed between various Japanese firms and Iran, the officials said. Rafsanjani pointed out, however, that the supplementary agreement, under which Iran would be responsible for the expense of re-starting the project, was rejected by the Iranian Parliament last April and should be reviewed in the light of overall cooperative relations between the two nations, the officials said.

Rafsanjani, Iran's No. 2 leader after Ayatollah Khomeini, also said Iran's Parliament did not approve the supplementary agreement because it felt the Japanese side weakened its support whenever the project failed to make profits. Rafsanjani also asked Murata to ensure that Japan maintain stable imports of crude oil and active cooperation in Iran's big industrial projects, the officials said. Rafsanjani said Iran wants to use the money gained through exporting crude oil to Japan to pay for Japan's cooperation in big Iranian projects, the officials said.

Rafsanjani is paying a five-day official visit to Japan until Friday as his first trip to any Western industrialized nation. His visit to Japan indicates that he enjoys a secure power base back home, one official said.

Holds Press Conference

OW030939 Tokyo KYODO in English 0932 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- Hashemi Rafsanjani, speaker of Iran's Parliament, said here Wednesday his country will honor an international tribunal's ruling on its war with Iraq. But he emphasized during a news conference that such an international court must be based on Iran's contention that "Iraq was an aggressor" in the nearly five-year-old Gulf war. "If the court is not formed, there is no other option" for Iran but to continue the war, the Iranian leader told reporters at the Japan National Press Club.

Rafsanjani, now on a five-day visit to Japan, recently proposed the creation of an international tribunal in a fresh attempt to end the hostilities between Tehran and Baghdad. Apparently referring to the proposal which was made in the name of Iran's paramount leader, Ayatollah Ruhollah Khomeini, the Iranian speaker said, "We will abide by the results" of an international court judging Iraqi President Saddam Husayn. Rafsanjani said that Husayn's ouster as Iraqi leader is one of Iran's major objectives but that Iran has withheld employing its full military capabilities to avoid a "bloodshed."

Iran's No. 2 man after Khomeini, Rafsanjani told Japanese Foreign Minister Shintaro Abe Tuesday his country is opposed to a debate on the war by what he charged the "pro-Iraq" United Nations Security Council.

During the news conference, the Iranian leader argued, "We condemn any sort of terrorism, particularly air piracy and hijacking," in reference to the recent hijacking of a Trans World Airlines plane. Rafsanjani pointed out the existence of "root causes" of terrorism such as Israel's "unlawful" holding of 700 Lebanese and went on to denounce France and the legislative branches of Britain and the United States for supporting terrorists. He denied that Iran played a role in the TWA case. But he said he expressed hope in recent meetings with Syrian leaders that he wished the ordeal would have "a good ending."

On the Iran-Japan petrochemical project, Rafsanjani said his country is seeking a new Japanese proposal to complete the project despite the Iranian Parliament's refusal to ratify a supplementary accord with Japanese partners.

The project whose completion has been delayed by the Gulf war was a main topic of discussion Wednesday morning between Rafsanjani and International Trade and Industry Minister Keiji Murata. Murata called for resumption of work on the project in accordance with the supplementary agreement calling on Iran to shoulder future expenses, MITI officials said.

ABE TO PROPOSE ROK INCLUSION IN ASEAN DIALOGUE

OW021143 Tokyo KYODO in English 1044 GMT 2 Jul 85

[Text] Tokyo, July 2 KYODO -- Japanese Foreign Minister Shintaro Abe intends to propose that South Korea be added as a dialogue partner of ASEAN at a foreign ministerial conference to be held next week in Kuala Lumpur, a government source said Tuesday. Japan favors South Korea's participation in the annual dialogue between the Association of Southeast Asian Nations and its partners in light of South Korea's important position in the Pacific community, they said.

The dialogue, which has been held annually in an ASEAN capital since 1978, is being participated in by foreign ministers of the six ASEAN members and Japan, the United States, Australia, New Zealand, Canada. The European Community has also been represented. ASEAN groups Malaysia, Indonesia, Singapore, Thailand, the Philippines and Brunei.

If South Korea is added as a new dialogue partner, Abe reportedly thinks, it would help further promote cooperation among Pacific countries, one of ASEAN's aims. At the Kuala Lumpur meeting July 11 to 13, Abe may propose an observer status for South Korea, if its full membership is not accepted, according to the sources.

Despite Abe's eagerness, some Japanese officials predict difficulty in persuading ASEAN countries to accept Tokyo's proposal chiefly due to the fact that some of the six ASEAN members have good relations with North Korea. ASEAN has been rather reluctant to accept South Korea's membership in the dialogue out of fear that the non-political grouping might become involved in the confrontation on the Korean peninsula, they say.

At last year's foreign ministers' conference, U.S. Secretary of State George Shultz suggested South Korea's participation. But the ASEAN side was negative toward the idea at the time.

KOMEITO CHAIRMAN TAKEIRI TO VISIT ROK, PRC

OW031005 Tokyo KYODO in English 0956 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- Komeito Chairman Yoshikatsu Takeiri will visit South Korea and China later this month for talks with leaders of the two countries about peace on the Korean peninsula and other regional matters. During the trip, Takeiri hopes to explore what role the No 2 opposition party can play toward maintaining peace in the Northeast Asian region, said Yoshiaki Masaki, the party's policy board chairman, in announcing the visit Wednesday.

Takeiri is to lead a high-powered party delegation consisting of eight senior officials, including Masaki and Vice Chairman Bunzo Ninomiya. They will arrive in Seoul July 22 for a four-day stay during which Takeiri is to hold talks with President Chun Doo-hwan and other South Korean Government officials as well as leaders of South Korea's major opposition party, the New Korean Democratic Party.

Takeiri hopes to learn more about Seoul's stance toward dialogue with North Korea and the country's possible contact with China, Masaki said.

After the Seoul visit, the delegation will go to China July 25 via Hong Kong. It will visit the special economic zone in Shenzhen, and then proceed to Guangzhou, Quilin and Beijing. In the Chinese capital, Takeiri will confer with the country's senior leader Deng Xiaoping and Communist Party Chief Hu Yaobang on such matters as the Korean situation and relations between China and the Soviet Union, Masaki said. The delegation is to return home August 5.

U.S. ASKED TO SET FISHING CATCH QUOTA FOR JULY

OW021145 Tokyo KYODO in English 1048 GMT 2 Jul 85

[Text] Tokyo, July 2 KYODO -- Moriyoshi Sato, minister for agriculture, forestry and fisheries, asked U.S. Ambassador to Japan Mike Mansfield for an early U.S. decision on Japan's July fishing quota within the U.S. 200-mile fishing zone, Japanese officials said.

Every year the U.S. Government allocates Japan's catch quotas for the zone in January, April and July. The January and April quotas were set at 530,000 tons in total. In return for the quotas, Japan promised last December to purchase ground fish meat of Alaska pollack from the U.S., and a plan construction project in the U.S. is underway.

Mansfield said he will convey Sato's request to the home government and will himself make an effort to see that Japan can fish some 900,000 tons in total, the officials said. Last year's quota was 1,150,000 tons.

SOVIET UNION SEIZES THREE JAPANESE FISHERMEN

OW030843 Tokyo KYODO in English 0801 GMT 3 Jul 85

[Text] Sapporo, Hokkaido, July 3 KYODO -- Three Japanese fishermen have been captured by the Soviet Union on charges of violating Soviet territorial waters and illegally fishing off the Habomai Island group, the Otaru-based regional maritime safety office said Wednesday.

The three and their fishing boat, the nine-ton Akane Maru of Nemuro, Hokkaido, were taken to Shikotan Island on June 28, according to a report reaching the regional office through the Foreign Ministry.

The three included Toshimitsu Akita, skipper of the boat. The Habomais and Shikotan, located east of Hokkaido, are among the four Japanese islands seized and occupied by the Russians since the end of World War II.

Six Japanese fishing boats have been seized by the Soviets so far this year, while the number of the detained crew totaled 74.

NAKASONE PLEDGES BACKING FOR SCHOOL REFORM REPORT

OW020351 Tokyo KYODO in English 0345 GMT 2 Jul 85

[Text] Tokyo, July 2 KYODO -- Prime Minister Yasuhiro Nakasone said Tuesday his government will speedily implement educational reforms keeping as close as possible to recommendations contained in a preliminary report submitted to him by the ad hoc education council last week.

Nakasone asked ministers at a cabinet meeting to give their full support to the reforms. He stressed again that educational reform is one of his government's top priorities.

AD HOC BODY CALLS FOR BUSINESS DEREGULATION

OW030845 Tokyo KYODO in English 0805 GMT 3 Jul 85

[Text] Tokyo, July 3 KYODO -- A subcommittee of the government's ad hoc council on administrative reforms Wednesday submitted a report calling on the central and local governments to promote relaxation or complete removal of their controls on business activities.

The report, presented to the council by the deregulation subcommittee, urged the central government to change its industrial policy to better harness the vitality of the private sector through deregulation of business restrictions totaling 258 items. It singled out four particularly important areas for deregulation: finance, transport, oil and energy, and urban redevelopment.

Regarding financial deregulation, the report recommended liberalization of interest rates on small-lot savings following those on large-lot ones starting in spring 1987. It also suggested liberalization of short-term financial markets, including free interbank interest rates and promotion of sale of the government's treasury bills on the private market.

As for liberalization of domestic transport fares, the report urged, among other things, a review of service routes of the nation's three major air lines. It suggested a sweeping review of the petroleum industry law so that private companies can have more leeway in their oil business, along with expansion of oil product imports like gasoline.

As regards urban redevelopment, which Prime Minister Yasuhiro Nakasone thinks will contribute most to domestic demand expansion, the report called on local governments to simplify procedures to approve housing land development to make it easier to purchase necessary land.

Prime Minister Nakasone hopes to place deregulation as the central driving force for domestic demand expansion without resorting to state finances. Council Chairman Toshio Doko will submit the report to Nakasone on July 22, together with reports of four other subcommittees.

KIM IL-SONG CONGRATULATES GROMYKO ON ELECTION

SK030246 Pyongyang Domestic Service in Korean 2100 GMT 2 Jul 85

[Text] The great leader Comrade Kim Il-song has sent a message to Comrade Andrey Andreyevich Gromyko, congratulating him on being elected as chairman of the USSR Supreme Soviet Presidium. The message reads as follows:

Moscow

To Comrade Andrey Andreyevich Gromyko, chairman of the USSR Supreme Soviet Presidium:

On behalf of the Government of the DPRK and the Korean people, and on my own behalf, I extend the warmest congratulations to you on your being elected as the chairman of the USSR Supreme Soviet Presidium at the third session of the 11th USSR Supreme Soviet.

Your recent election as the chairman of the USSR Supreme Soviet Presidium represents the Soviet people's high appraisal of the great achievements you have performed over a long period of time as a prominent activist of the Soviet state to defend the gains of October, to strengthen the might of the Soviet Union as a whole, and to implement a Leninist-type peace-loving foreign policy.

As an intimate friend of the Korean people, you have exerted much effort to develop relations of friendship and cooperation between the peoples of Korea and the Soviet Union in the past. I sincerely wish you greater success in your responsible work to complete developed socialism in the Soviet Union and to defend world peace. I express a firm belief on this occasion that the traditional relations of friendship and cooperation between the peoples of our two countries, which are based on Marxism-Leninism and proletarian internationalism, will further develop in the future, in an overall way.

[Signed] Kim Il-song, president of the DPRK

[Dated] Pyongyang, 2 July 1985

COMMUNIST MEDIA CITED ON KOREAN REUNIFICATION

SK021039 Pyongyang KCNA in English 1005 GMT 2 Jul 85

[Text] Pyongyang July 2 (KCNA) -- The Soviet weekly magazine THE NEW TIMES published an article supporting the Korean people's just cause on the occasion of the month of anti-U.S. joint struggle.

The magazine said the Democratic People's Republic of Korea has proposed to replace the Armistice Agreement with a peace agreement, adopt a non-aggression declaration between the North and the South, reduce the armed forces of the two sides and convert the Korean peninsula into a nuclear-free zone. This is an indispensable condition for peacefully reunifying the country on a democratic basis after the withdrawal of the U.S. troops along with nuclear and all other weapons from South Korea, the magazine noted.

The Soviet paper SELSKAYA ZHIZN June 28 carried an article titled "Solidarity With Korean People", which said:

The Soviet Union supports Korea's peaceful reunification and demands the withdrawal of U.S. forces from the South of the Korean peninsula.

The progressive forces of the world express solidarity with the Korean people in their just struggle.

The Hungarian paper NEPSZABADSAG June 25 noted that Hungary supports the Korean people's struggle and the proposals of the Democratic People's Republic of Korea to peacefully reunify the country on a democratic principle.

The Cuban paper GRANMA June 25 pointed out that the Cuban people, together with all the peaceloving people, extend active support to the Korean people's just cause of national reunification.

A Cuban television in a special program on June 25 screened pictures showing the U.S. imperialists' defeat and exposed the scheme of the U.S. imperialists to provoke another war in Korea.

SOUTH DEFENSE MINISTER'S REMARKS ON NORTH DECRIED

SK021109 Pyongyang KCNA in English 1015 GMT 2 Jul 85

[Text] Pyongyang July 2 (KCNA) -- The South Korean puppet defence minister invited the attendants of the "second South Korea-U.S. conference on the Northeast Asian question" to a dinner on June 30 and let out a string of rubbish against the DPRK.

He cried that the North is judged to have "a plan to attack the South for a short decisive war" and that the North's call for dialogue was intended to "bring to maturity internal and external conditions for unification through communisation by creating the division of public opinion and social confusion" in South Korea. This is a cock-and-bull story reversing black and white and phraseology spoiling the atmosphere of North-South dialogue. The whole world recognizes our peaceloving stand and sincere stance for dialogue.

No design of "southward invasion" or "communisation" is hidden in our propositions to rejoin the severed economic bonds, lessen the sufferings of the separated compatriots and let the one and the same nation live in peace by bringing the North-South economic talks, Red Cross talks and parliamentary talks to a success. Is there any need to explain this? The quarrelsome fellows in South Korea hurling mud at us are the very ones with another axe to grind behind the curtain of the dialogue.

After responding to our proposal for dialogue reluctantly, the South Korean puppets have whetted the swords with their masters for invading the North.

According to their new "offensive strategy," they reinforced their Armed Forces and deployed the bulk of them in the combat zone near the Military Demarcation Line, organized special units 180,000 strong for simultaneous strikes at our front and rear and dug more than 180 tunnels for northward invasion. As indicated by the "Team Spirit 85" war exercise, it is none other than the U.S. imperialists and the South Korean puppet clique who staged "a preliminary war" by mobilising armed forces hundreds of thousands strong and combat equipment more than enough to carry out a full-scale war.

It must not go unnoticed that the formation of the U.S.-Japan-South Korea three-way military alliance with the Korean peninsula as its first striking target is in the finishing state and it is practically going to be put into motion through a joint exercise of U.S. and Japanese flying corps in the air above the East Sea of Korea and the mutual portcalls of South Korean and Japanese warships.

The afore-said "South Korea-U.S. conference on the northeast Asian question" held in South Korea with the attendance of the U.S. and the South Korean puppet brasshats was chiefly aimed at examining and rounding off the war preparations they had been hastening.

The outcry raised by the puppet defence minister over "southward invasion" as if it was imminent was a smokescreen to conceal the northward war preparations they are accelerating with their American and Japanese patrons and a feigned alarm to beg for more weapons and military equipment of the masters after the conference.

Recently the South Korean puppets placed South Korea under a de facto martial law and let loose heavily armed police and special agents in a raid on 110 campuses demanding a probe into the truth of the Kwangju incident and campus freedom and a harsh crackdown on company workers who rose up in demand of the freedom of trade union activity and the right to existence. In his outcry over the North's "communisation design" the puppet defence minister also sought the criminal aim of shifting on to the North the responsibility for the social confusion and ruling crisis created in South Korea and justifying their repressive outrages and thereby evading accusation at home and abroad.

The South Korean puppets, by nature, have the bad habit of working mischief behind the scene after agreeing to a dialogue with us. In the early 1970's when the dialogue was under way, they drivelled about the North's "strategy of unification through communisation" and told people not to hinge hope on the dialogue, eventually leading it to a rupture. Now they are pursuing the breakup of the dialogue, repeating their old game.

The South Korean puppets will have to bear responsibility for the consequences brought to the dialogue by their double-dealing tactics.

COMMENTARY ON SOUTH FABRICATION OF SPY INCIDENT

SK030406 Pyongyang Domestic Service in Korean 2150 GMT 1 Jul 85

[NODONG SINMUN 2 July commentary: "Planned Conspiratorial Incident"]

[Text] The puppet Agency for National Security Planning, South Korea's intelligence and conspiracy headquarters, announced on 28 June that it had ferreted out a spy ring of the North comprising three spies who had been operating in South Korea while maintaining a base of operations in Japan. According to this announcement, since 1973 the spies had obtained secrets while travelling to South Korea, and sent them to the North via Japan. The puppets are kicking up a clamor, loudly babbling about this incident being a so-called triangular spy incident connecting South Korea, Japan, and the North. Echoing the puppets' lousy babble, the Japanese reactionaries are babbling as if Japan were a base of operations for the spies. This is fabrication designed to denounce us and Chongnyon.

The three suspects, which the puppets branded as spies, have nothing to do with us and Chongnyon. Even in their announcement, a certain Pang, who the South Korean puppets identified as a spy, is a Mindan-leaning Korean resident in Japan who engaged in a joint venture to produce automobile parts in South Korea. Therefore, his visits to South Korea cannot constitute evidence for Chongnyon's involvement in this incident. The puppets' attempt to associate Chongnyon with this incident under a groundless pretense is an unreasonable empty dream. The puppets say that the three people, who have nothing to do with Chongnyon, are spies, while associating them with us.

This shows that this incident is a planned conspiratorial incident designed to fabricate pretexts for antirepublic and anti-Chongnyon maneuvers.

Every time the puppets face a political crisis in South Korea they suppress the people by mobilizing forces of suppression and fabricate various incidents to use them as excuses for their anticommunist conspiratorial racket. This is the puppets' stereotyped technique.

A newspaper for the Korean residents in the United States wrote that spy incidents announced in South Korea are fabricated as needed, while quoting the remarks of a former Chicago-based agent of the South Korean special agency that all spy incidents announced in South Korea are faked and that the puppet Agency for National Security Planning has a bureau exclusively devoted to the fabrication of spy incidents. The so-called triangular spy incident was fabricated as required by the puppets themselves.

The struggle by the youths and students for the democratization of campus and society; the revealing of the real state of things concerning the Kwangju massacre, and an apology for the massacre; and the workers' struggle against the suppressors' suppression and exploitation, for the freedom of labor movement, and for the right for survival are being strengthened in South Korea. With the occupation of the American Cultural Center and the struggle of the workers of the Daewoo Apparel Company as an opportunity, the students' movement and labor movement have become more popular. The students' movement and labor movement, which are being deepened and developed in South Korea, make the puppets very uneasy. The puppets this time are kicking up a racket by loudly babbling about the triangular spy incident. This is a trick designed to divert the people's attention elsewhere and justify their suppression.

The day after the puppets announced the spy incident they arrested scores of patriotic students by raiding nine South Korean universities and also forcefully dispersed the workers on strike by raiding the Daewoo Apparel Company.

The fabrication of the spy incident is a planned maneuver to cast a dark cloud over the North-South dialogue, which was established at our initiative, with our relief measures for the South Korean flood victims as the opportunity, and to pour cold water on the people's expectations for a breakthrough in improving North-South relations and resolving the reunification issue. Coinciding with the announcement of the spy incident, the puppets are again strengthening their anticommunist propaganda of inspiring enmity and confrontation and of spreading the theory of southward invasion. This is not a coincidence. In a word, those who are attempting to find a way out by strengthening the people's suppression and who are aspiring to confrontation fabricated this incident in an attempt to justify their anticommunist and fascist confrontational policy. This outdated trick will not work. No propaganda of the puppets can mislead public opinion and justify their fascist terrorist rule and anticommunist confrontation-al racket. This will further reveal their antinational nature

HWANG CHANG-YOP MEETS CPC WORKERS DELEGATION

SK030030 Pyongyang KCNA in English 0009 GMT 3 Jul 85

[Text] Pyongyang July 3 (KCNA) -- Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on July 2 met and had a friendly conversation with the party workers' holiday-making group of the Communist Party of China headed by Gu Zhuoyin, member of the Central Advisory Commission of the CPC.

Present there were Kim Chae-pong, vice-director of a department of the WPK Central Committee, and Zong Kewen, Chinese ambassador to Korea. Secretary Hwang Chang-yop hosted for the group.

KIM YONG-NAM MEETS NEW CPV MEMBER OF MAC

SK030029 Pyongyang KCNA in English 0007 GMT 3 Jul 85

[Text] Pyongyang July 3 (KCNA) -- Vice-Premier and Foreign Minister Kim Yong-nam on July 2 met and had a talk with Tian Sheng, newly appointed member of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission, who paid a courtesy call on him.

Present there were an official concerned and Zong Kewen, Chinese ambassador to Korea.

PARTY SCHOOL DELEGATION DEPARTS FOR PRC 2 JULY

SK021540 Pyongyang KCNA in English 1517 GMT 2 Jul 85

[Text] Pyongyang July 2 (KCNA) -- A delegation of the Kim Il-song Higher Party School headed by its Vice-Rector Chang Chong-yop left here today by plane for a visit to China. It was met at the airport by Vice-Rector of the Kim Il-song Higher Party School An Tong-yun and Councillor of the Chinese Embassy in Pyongyang Wu Liangpu.

YANG HYONG-SOP VISITS LIBYA, HOLDS TALKS

LD282013 Tripoli JANA in English 1640 GMT 28 Jun 85

[Text] Tripoli, Shawal 11, June 28, JAMAHIRIYAH NEWS AGENCY -- The secretary of the general People's Committee for Foreign Liaison Bureau met this morning with Mr Yang Hyong-sop the chairman of the Standing Committee of the Supreme People's Assembly in the Democratic People's Republic of Korea (D.P.R.K.).

Mr Hyong-Sop conveyed the greetings and appreciations of President Kim Il-song to the leader of the revolution and his best wishes to the Libyan Arab people of progress and prosperity, also his high appreciation of the leading role of the Libyan Arab people and the leader of their revolution in their brave confrontation with the imperialist conspiracies plotted against the security and safety of the nations and against their national and social choices.

The chairman of the Standing Committee of the Supreme People's Assembly of the (D.P.R.K.) confirmed the healthy deep rooted relations of joint struggle against imperialism Zionism, colonialism and racism.

During this meeting, confirmation of the importance of developing and strengthening the existing cooperation relations between Libya and North Korea in all fields and the joint efforts exerted to the implementation of agreements and joint ventures and projects which were agreed upon during the visit the leader of the revolution made the D.P.R.K. and put all needed efforts to ensure the success of these projects and companies in their task of serving the joint goals of the two friendly peoples.

SOVIET SPORTS COMMITTEE GROUP LEAVES FOR HOME

SK271547 Pyongyang KCNA in English 1515 GMT 27 Jun 85

[Text] Pyongyang June 27 (KCNA) -- The delegation of the Physical Culture and Sports Committee under the USSR Council of Ministers headed by its President M. Gramov has left here for home on June 27 by air.

FOREIGN MINISTRY STATEMENT ON S. AFRICAN POLICY

SK030430 Pyongyang KCNA in English 0405 GMT 3 Jul 85

[Text] Pyongyang, July 3 (KCNA) -- The Government of the Democratic People's Republic of Korea and the Korean people strongly hold that the "provisional government" rigged up by the South African racists in Namibia must be dissolved and the Namibian question be settled as demanded by the South-West Africa People's Organization [SWAPO] the only legitimate representative of the Namibian people, and in the interest of the Namibian people. As in the past, so in the future, too, they will fully support the peoples of the front-line states in the righteous struggle to defend national sovereignty against the aggressive moves of the South African racists. This is declared in a statement of the spokesman of the DPRK Foreign Ministry released on July 3.

The statement points out that the South African racists framed up the "provisional government" in Namibia, excluding the SWAPO, and are getting more undisguised in their acts of aggression against such neighbouring countries as Botswana, Angola and Mozambique, it continues:

All this is an overt infringement on the sovereignty and territorial integrity of an independent state and a flagrant violation of international law.

The DPRK Government and the Korean people sternly denounce the South African racists for rigging up the illegal "provisional government" in Namibia and ceaselessly committing aggressive and criminal acts against the neighbouring countries. The South African racists are the root cause of disasters threatening independence and peace in southern Africa and bringing misfortunes and distress to the people in this region.

The racists engineered by the imperialists are trying to put down by force of arms the national liberation struggle of the Namibian people guided by the SWAPO while pursuing the policy of racial discrimination and apartheid. They commit aggression and provocations without hesitation against Angola and Mozambique in wanton violation of the commitments they assumed under the truce agreement with the Angolan Government and the "treaty of non-aggression and good neighbourhood" with the Mozambican Government.

All facts clearly show that so long as the South African racist clique are left alone, peace in southern Africa and security of the peoples in this region can never be guaranteed. It is with zealous support of the imperialists that the South African racists arrogantly and freely commit aggression in southern Africa.

The South African racists must stop the criminal aggression on neighbouring countries and the imperialists must no more encourage the racists.

DFRF, GDR COUNTERPART SIGN COOPERATION PLAN

SK030419 Pyongyang KCNA in English 0353 GMT 3 Jul 85

[Text] Pyongyang, July 3 (KCNA) -- An agreement was signed on July 1 in Berlin on cooperation between the Central Committee of the Democratic Front for the Reunification of the Fatherland of the Democratic People's Republic of Korea and the National Front Council of the German Democratic Republic for 1986-1990. It was signed by Yo Yon-ku, director of the Secretariat of the DFRF Central Committee, and Werner Kirchhoff Vice-president of the National Front Council of the GDR.

CHON SAYS ROK TO PUSH FOR 'TOP LEVEL' N-S TALKS

SK021125 Seoul YONHAP in English 1035 GMT 2 Jul 85

[Text] Seoul, July 2 (YONHAP) -- President Chon Tu-hwan said Tuesday that South Korea will continue to take lead in pushing for inter-Korean dialogue to prevent armed flareup on the Korean peninsula and to secure peace.

"We will also do our utmost to realize top-level inter-Korean talks," Chon told a group of U.S. and Korean participants in the Center for Strategic and International Studies (CSIS) Council of the Northeast Asia Forum. The president hosted a dinner for them at his Chongwadae residence. "The stability of the Korean peninsula where interests of world powers crisscross is a linchpin of peace in Northeast Asia and the rest of the world," Chon said.

Georgetown University's Center for Strategic and International Studies (CSIS) opened a two-day forum here Sunday to discuss peace and stability in Northeast Asia. The event was attended by about 100 people representing the Korean and U.S. parliaments, administrations and economic and academic circles.

NORTH, SOUTH SCHOLARS TO ATTEND SYMPOSIUM

SK030452 Seoul TONG-A ILBO in Korean 2 Jul 85 p 1

[Report by Tokyo correspondent Chang Song-won]

[Text] North and South Korean scholars will participate, for the first time, in an international symposium to discuss the issue of the unification of the Korean peninsula. The symposium is scheduled to be held at the International Convention Center in Yokohama, Japan, on 6 July. A South Korean professor; 5 North Korean scholars from the academy of Social Sciences and Kim Il-song University; 5 Chinese scholars, including Zhang Xiangshan, adviser to the International Liaison Department of the CPC and vice president of the China-Japan Friendship Association; and 60 other specialists on international affairs, the Korean peninsula, and peace in Asia from the United States, Canada, France, the Philippines, Australia, and other countries will participate in this international symposium, entitled "The Unification of the Korean Peninsula and Peace in Asia," under the sponsorship of the Research Institute on Peace in Asia and the Pacific (director: Kanji Seki, professor of Tokyo University).

YI MIN-U HOLDS TALKS WITH VISITING U.S. OFFICIAL

SK030122 Seoul THE KOREA HERALD in English 3 Jul 85 p 4

[Text] Inter-Korea talks and the Korean political situation dominated discussions between Yi Min-u, president of the opposition New Korea Democratic Party [NKDP] and William Sherman, visiting U.S. deputy assistant secretary of state for East Asian and Pacific affairs yesterday.

Asked what would be debated in the proposed special National Assembly session, Yi said, "Recent labor disputes and campus unrest originate from the lack of a true democratic system."

Sherman said, "President Reagan is looking forward to the promotion of democracy throughout the world. However, it is disappointing to find that in Washington, D.C., there are fewer experts on Korea's internal problems than on Korean economy."

Volunteering to elaborate on his party's demand for constitutional rewriting, Yi said, "In the past, the Constitution was changed to serve the interests of a certain group. But his time, it should be revised in the interest of all the Korean people."

The NKDP leader also said that it is still premature to expect too much from the south and north Korean talks, because the north's primary goal of the talks is to ensure the withdrawal of U.S. troops from the south. "Let's wait and see with patience," he added.

At the end of the 40-minute visit, Sherman invited Yi to visit the United States at his convenience.

NKDP OFFICIAL DEPARTS U.S., MEETS KIM TAE-CHUNG

SK030818 Seoul SEOUL SINMUN in Korean 3 Jul 85 p 3

[Article from "The Stroll on the Political Avenue" column]

[Text] In a meeting with reporters on 2 July, Song Won-yon, chairman of the New Korea Democratic Party (NKDP) national convention, who returned from the United States after meeting with Gaston Sigur, White House special adviser for security in Asia, and other people of distinction in and out of the government, said that people in the United States regard the change of presidents itself in 1988 as a political development, but that he stressed the legitimacy of constitutional revision.

Meanwhile, after he returned, Song Won-yon met with Mr Kim Tae-chung and exchanged views in connection with his remarks at the New York Press Club that the parliamentary system must be chosen in accordance with constitutional revision. Mr Kim Tae-chung pointed out that he opposes the parliamentary system because, considering present political circumstances, it is difficult for opposition parties to come into power under the parliamentary system.

On 2 July, 12 nonparliamentarian chairmen of NKDP local chapters, including Hwang Myong-su, Son Chu-hang, and Mun pu-sik, organized the committee to take measures for the party convention and sent to the meeting of post holders a letter of resolution calling for rejecting the admission to the NKDP of former members of the now defunct Legislative Assembly and the DKP's six major post holders.

ECONOMIC CONSULTATIONS HELD IN WASHINGTON, D.C.

SK030131 Seoul THE KOREA TIMES in English 3 Jul 85 p 1

[Text] Washington -- The fourth Korean-U.S. economic consultations, which opened here Monday, intensively discussed such sensitive issues as Korean market-opening for cigarettes and Korea's protection of foreign intellectual rights, pertinent sources said.

In a two-day, closed-door session to insure practical and frank discussions, the Korean side demanded the United States to ease its import barriers against Korean products.

The sources said the two sides had reached a breakthrough to narrow their disputes, mostly powered by the Korean commitment on the liberalization of cigarette markets. The sources, however, added that the Korean commitment on the cigarette markets will be implemented on a gradual basis.

Two options prevailed among Korean policy makers on the cigarette market liberalization. One is to open 1-2 percent of the Korean cigarette markets from next year. The other is to denationalize the Office of Monopoly, paving the way to introduce American technology related with cigarette production. Presently, the cigarette industry in Korea is a monopoly, producing 6-8 percent of the government revenue.

In the Washington meeting, the Korean delegate, led by Amb. Kim Ki-hwan of the International Economic Policy Council (IEPC), recognized the need to provide adequate protection for various forms of intellectual property in Korea.

PRC-JAPAN TRADE VIA NORTH CHONGJIN PORT CITED

SK030052 Seoul THE KOREA HERALD in English 3 Jul 85 p 1

[Text] Tokyo (YONHAP) -- Trade between China and Japan through north Korea's Chongjin Port totaled 60,000 to 70,000 tons last year, a visiting chief trade delegate reportedly said Monday.

Chen Yun, head of a trade mission from Heilongjiang Province, China, said in an interview with the NIHON KEIZAI SHIMBUN that China will help north Korea's plan to refurbish the port, whose facilities are poorly equipped. The economic daily quoted him as saying that north Korea, like China, wishes to import high technology through open-door policies for the modernization of the nation's economy.

POLICE FORCE TO BE REINFORCED FOR PUBLIC SECURITY

SK030045 Seoul THE KOREA TIMES in English 3 Jul 85 p 8

[Text] National police force will be reinforced by 16,000 this year and the next year to be more faithful in firming up public security.

Sources at the Home Ministry said yesterday that the increase was necessary in view of the fact that a lot of the police force are kept on their feet, contending with violent students demonstrations on and off campuses.

According to the sources, about 7,000 police force including combat policemen will be recruited this year and the remaining 9,000 next year in consultation with other pertinent authorities. The increase, if realized as planned, is a whopping increase compared with an average annual increase of only around 1,000. At present, the national police force is tallied at about 100,000 including 43,000 combat policemen.

The sources said the unprecedented large increase is inevitable in view of upcoming large-scale international events such as the IMF meeting, Asian Games, and Olympic Games. The ministry is now consulting with the Economic Planning Board and the Government Administration Ministry to secure the budget to finance the increase of manpower, it was learned.

The manpower increase aims at allowing policemen belonging to police boxes to concentrate only on the maintenance of regional social order by keeping them from being diverted other assignments contending with campus disturbances.

Despite the increase, the ratio of population to policemen is still low compared with foreign nations. The ratio stands at about 700 to 1 in Korea, compared with 394 to 1 in the United States, 401 to 1 in Britain, 551 to 1 in Japan, and 340 to 1 in Italy.

STUDENT ACTIVISTS SAID MASTERMINDS OF STRIKES

SK030557 Seoul YONHAP in English 0532 GMT 3 Jul 85

[Text] Seoul, July 3 (YONHAP) -- Student activists instigated many of the recent labor-management conflicts in the Seoul area, according to a government report released Wednesday.

In a report submitted to the National Assembly's Health and Social Affairs Committee, the Labor Ministry said that student activists entered business establishments under the pretext of being workers, with false names and with false educational backgrounds. After sneaking into businesses, the politically-oriented students encouraged workers to expand labor issues into political issues, the report said. The students, disguised as workers, plotted to replace existing labor unions with new unions under their leadership, distributed leaflets and agitated workers into committing violent acts against management, the ministry said.

During the first six months of this year, 145 labor-management conflicts have occurred, according to the report. The ministry reported that 91 of the conflicts were prompted by the workers themselves and that 54 other cases were instigated by students. The causes behind the 91 independently-instigated conflicts were the suspension of operations, the closure of companies, the deferment of payment of wages, and demands for wage hikes. The number of conflicts that broke out in the first half of this year reached 145 representing a 120 percent increase from the same period last year.

Under the pretension of being poorly educated, 180 college or university graduates were hired by 78 companies this year. Thirty-six of the graduates are still working for 23 companies and 124 others have either quit the companies or have been dismissed.

Labor Minister Cho Chol-kwon said that the government will encourage the student-workers to contribute to the development of business and the society by redeploying them to proper positions. If they violate company regulations or initiate illegal activities, they will be punished under the law, Cho said.

MINISTER DISCUSSES DISPUTES, DEFENDS LABOR LAWS

SK030847 Seoul HANGUK ILBO in Korean 2 Jul 85 p 5

[Article by Cho Chol-kwon, minister of labor affairs: "Problems Will Be Solved Through Public Hearings"]

[Excerpts] Recently, our industrial society has been placed in a difficult situation because of the sluggish export activities and the worsening international balance of payments. At the same time, individual enterprises are also suffering difficulties in business and there is serious employee-employer friction, the like of which has not been seen in recent years. In particular, some business groups are unfortunately suffering from labor disputes and a slump in operations because of the radical students employed as plant workers who have concealed their educational background. This is a regrettable situation.

It seems that the situation is worsening, and our society is shocked by this. This is a very annoying situation for our society as well as for stable economic development. In this regard, it is, it can be said, necessary to pool the efforts and wisdom of the people.

I know that the revision of labor laws has been demanded since the 12 February general elections. In this regard, I can say that, if the situation has changed, the system must also be changed, because the social laws and system are something which reflects the reality of a society.

The current labor laws are ones that were revised for the better in 1980 by considering the problems that existed with labor in the past. During the course of their implementation, the validity of these laws has been proven. Meanwhile, some problems were also disclosed. These problems were solved last March by revising the enforcement ordinances.

In the future, too, new problems will be actively accommodated and solved through such means as public hearings. For instance, the consolidation of the labor union's right to negotiate and the simplification of the procedure of handling labor disputes are being seriously considered.

NKDP Urges Revision

SK030034 Seoul THE KOREA TIMES in English 3 Jul 85 p 1

[Text] The New Korea Democratic Party [NKDP] yesterday called for the abolition of the administration right to unilaterally dissolve labor unions and limited permission of labor unions' right to political activities.

The current Labor Union Law authorizes administration authorities to order the dissolution of a labor union or the replacement of its officers with a decision by the labor council in case the union violates law or damages public interest.

In a draft amendment to the Labor Union Law, the main opposition party also demanded that a clause banning the intervention of a third party in labor union activities should be abolished to revitalize the functions of superstructure labor unions. Draft amendments to five labor-related laws were approved in an Executive Council meeting. The NDP [New Korea Democratic Party] will submit them to the regular house session to open in September after holding public hearings this month.

For the sound growth of labor unions, the party seeks the reintroduction of the "union shop system," which requires every employee of a workshop to join the union.

The NDP demanded that the special law concerning the organization of labor unions and the settlement of labor disputes at foreign-invested companies should be abolished. NDP members in charge of labor affairs argued that the law more strictly represses the rights of workers at foreign companies than Korean companies. The party insisted that the so-called public service companies should be limited to those whose suspension of operation will "severely affect the national economy and the people's daily life." It demanded that a clause calling for the "forced settlement" of labor disputes at ordinary workplaces should be erased.

POLICE ASKED TO HALT UNAPPROVED STUDENT SERVICE

SK030115 Seoul THE KOREA HERALD in English 3 Jul 85 p 8

[Text] The Ministry of Education yesterday asked the police to intercept college students conducting "rural service activities" without approval from their schools.

A ministry official said that only 120 students groups of colleges and universities across the country have been allowed to render medical services, assist farmers and conduct other rural educational activities at 416 places in the country.

The ministry has asked for the police help because some students are likely to "politically taint" farmers and fishermen by discussing with them controversial political, labor and farm issues, he said. The ministry measure follows reports that residents in some rural areas have refused services by students.

Police said 124 Seoul National University students visited six villages in Chongyang county in Chungchongnam-do recently, but they had to return to Seoul because farmers there refused their help.

It was learned that police plan to round up students engaging in service activities without school approvals and refer them to the "student guidance committees" of their respective schools. Students who spread false rumors will also be questioned, police officers said.

OFFICIAL ACKNOWLEDGES POOR ECONOMIC SITUATION

SK030904 Seoul HANGUK ILBO in Korean 2 Jul p 3

["Reporter's Eye" column by Pak Mu: "The First Acknowledgment"]

[Text] Deputy Prime Minister Sin Pyong-hyon said on 1 July that it would be difficult to achieve 7.5 percent economic growth this year. This is the first acknowledgement of the fact that the economic operational plan, which was established at the beginning of this year, cannot be implemented as has been expected. In regard to this, those who have heatedly debated with the government over the economic situation seem to regard Deputy Prime Minister Sin's remarks as a defeat. They say that he had persistently denied economic stagnation but eventually has become unable to continue his bigotry in the face of stark reality.

Deputy Prime Minister Sin said: It seems that it would be difficult to achieve 7.5 percent economic growth unless the situation suddenly changes. However, utmost efforts will be exerted to achieve more than 7 percent growth by seeking counter-measures such as the promotion of exports and the creation of an atmosphere for investment.

Thus, by saying that efforts will be exerted to achieve more than 7 percent growth, he made it clear that this year's economic plan will not be achieved as has been planned.

The deputy prime minister, who had continuously said "do not worry" and "things will be all right," has finally said "it would be difficult" and "efforts should be exerted." This will inevitably arouse noisy reactions. In this regard, those who had heatedly debated with the deputy prime minister think that his acknowledgment of reality and the change in his opinion are fortunate, though belated.

However, if the deputy prime minister's remarks are true, what about the citizens who continue to believe in his words "do not worry"?

In this regard, for those who continue to believe in him and the government, the deputy prime minister must give a sufficient explanation for his change of opinion, for the reason for the change, and the content of the change.

THAI TERRITORIAL, AIRSPACE VIOLATIONS REPORTED

BK021244 Phnom Penh SPK in English 1105 GMT 2 Jul 85

[Text] Phnom Penh SPK July 2 -- Thailand's aircraft on five occasions violated Kampuchean airspace over Ampil, Poipet, Dang Kum, Phnum Malai and Komrieng in the week ended on June 27.

On the ground Thai forces made 18 shellings of Kampuchean border areas: five shellings on southern Ampil, western Kop, southeastern Nimit and eastern Komrieng, [word indistinct] others on Thmar Puok, Oda, northwestern and southeastern Pailin, western Ta Sanh (Battambang), northeastern Road 56 (and southwestern Smatdeng, Pursat).

In the same week, groups of Khmer reactionaries from Thailand infiltrated into Kampuchean border areas for sabotage. But they were punished by the Kampuchean border guards and the local population: 228 intruders were put out of action, including 188 taken prisoner, and 58 guns seized.

SRV STATE PLANNING COMMISSION DELEGATION ARRIVES

BK010657 Phnom Penh SPK in French 0443 GMT 1 Jul 85

[Text] Phnom Penh, 1 Jul (SPK) -- The SRV delegation to the second conference of the Indochinese countries' planning chiefs arrived in Phnom Penh on Sunday. It is led by Vo Van Kiet, member of the Political Bureau of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers, and president of the State Planning Committee. Vo Van Kiet and his entourage were greeted on their arrival by Chea Soth, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and planning minister; Tang Saroem, minister for economic and cultural cooperation with foreign countries; and other high-ranking officials. Ngo Dien and Thongpeng Souklaseng, respectively ambassadors of Vietnam and Laos to Cambodia, were also present.

After its arrival, the delegation, accompanied by Deputy Planning Minister Nhim Vanda, went to lay wreaths at the monument for fallen combatants and for Vietnamese internationalist combatants.

Talks With Chea Soth

BK030735 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Jul 85

[Text] On the morning of 2 July, at the Chamka Mon state palace, the SRV state planning delegation led by Comrade Vo Van Kiet, member of the CPV Central Committee Political Bureau, vice chairman of the SRV Council of Ministers, and chairman of the SRV State Planning Committee, held a bilateral talk with the PRK state planning delegation led by Comrade Chea Soth, member of the KPRP Central Committee Political Bureau, vice chairman of the PRK Council of Ministers, and minister of planning.

At the same time, the Lao state planning delegation led by Comrade Sali Vongkhamsoo, member of the LPRP Central Committee Secretariat, vice chairman of the LPDR Council of Ministers, and chairman of the Lao State Planning Commission, visited Tuol Kuok textile mill. In the afternoon, the Lao state planning delegation held a bilateral talk with the PRK state planning delegation led by Comrade Chea Soth at Chamka Mon state palace. Meanwhile, the SRV state planning delegation visited Russei Kev textile mill.

SIHANOUK INTERVIEWED ON PROXIMITY TALKS IDEA

BK030133 Bangkok THE NATION in English 3 Jul 85 pp 1, 2

[By Somphong Kittinaradon]

[Text] Beijing -- Khmer coalition President Prince Norodom Sihanouk yesterday voiced strong support for the new idea of indirect talks between coalition leaders and a Vietnamese delegation which may include officials from the Hanoi-backed Phnom Penh regime.

In an interview with a group of Thai journalists at his residence here, the prince said that launching of the proposal would show to the world that "we have goodwill -- that we are for peace and national reconciliation of Khmer groups."

He said the modified version of "proximity talks" was discussed during his meeting with Foreign Minister Sitthi Sawetsila at his residence Sunday. "It is a good and excellent idea," he said.

The prince said the idea was a modification of the original form of "proximity talks," proposed by Malaysia, which called for indirect talks through an intermediary between the UN-recognized Coalition Government of Democratic Kampuchea (CGDK) and the Hanoi-backed Heng Samrin regime.

He said Thailand was "clever" in working out the "compromise formula" to make it acceptable to the other partners in the CGDK, the Khmer Rouge and the Khmer People's National Liberation Front (KPNLF) led by Son Sann.

The prince also quoted ACM [Air Chief Marshal] Sitthi as saying that the two coalition would accept it.

The KPNLF and the Khmer Rouge were reluctant to accept the original form of the Malaysian proposal on grounds that it would imply recognition on the part of the CGDK that the Kampuchean conflict was a "civil war," and not the Vietnamese occupation of Kampuchea. And that Heng Samrin and his group was not a "puppet regime" of Hanoi, according to the prince.

The prince said the modified formula could be comparable to the Geneva Conference in July 1954 in which "the Viet Minh" participated as part of a delegation led by Prime Minister Pham Van Dong of the Democratic Republic of Vietnam (North Vietnam) following refusal by his Royal Khmer government to let an official team of Viet Minh join the negotiations.

The prince said that he had all along supported the proximity talks idea since Malaysia first proposed it early this year because he realized that there was no chance of winning the Kampuchean war through military means and the only "slim" chance of success was to wage the fighting just to compel Hanoi to accept a peaceful and political solution.

The chance was slim because the Vietnamese understand only the "language of force," he said.

He added that the situation has persisted despite the closer unity of the three resistance forces, their progress in the battlefield and the support from China and ASEAN.

"Some of my partners want to win over the Vietnamese through military means," he said.

He also said because of this military approach, the Khmer Rouge and China did not like to see a peace proposal. But they should not worry because "the other side" would reject the proximity talks proposal, he said. "We have to come up with peace proposals time and again to show that we are for peace," he said. The prince said because of the continued peace efforts, there was improvement on diplomatic support from various countries. "Switzerland, for instance, previously voted against us in the UN General Assembly. But now they have abstained and a few states in Africa recently agreed to have their representatives present credentials to me," he said.

The prince said he received a telegram from Khmer Rouge leader Khieu Samphan yesterday morning, informing him that Khieu would lead joint CGDK teams including high-ranking officials from KPNLF and the Sihanoukist force for the first time to visit some African countries, including Cameroon, Senegal, Mauritania, and Mali, to lobby for support for the coalition before the UN General Assembly this year.

Son Sann will go somewhere else while the prince will visit Bangkok, Malaysia, Indonesia for talks with prime ministers of the three ASEAN countries this month, according to the prince. He is scheduled to arrive in Jakarta on July 23 and fly to Malaysia on July 27 for a stay that will last more than ten days. In Malaysia, the prince will also see the new king of Malaysia as well as his predecessor. After that, he will be back in Thailand again where he expects to see Premier Prem Tinsulanon. He said he would also visit Malaysia during the meeting between ASEAN foreign ministers and foreign ministers from dialogue partners for talks with those ministers such as U.S. Secretary of State George Shultz.

Other points he made during yesterday's press conference include a moving picture depicting military activities of Khmer resistance force in the interior of Kampuchea will be distributed to demonstrate the "major progress" made by the resistance over the past months in the battlefield. The second point is any political solution must be acceptable to Moscow and Hanoi on the one hand and China on the other.

VODK ON ANTI-VIETNAMESE STRUGGLE IN INTERIOR

BK011501 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 30 Jun 85

[Station commentary: "The People in the Interior of Cambodia Are More Actively Joining in the Anti-Vietnamese Struggle With Each Passing Day"]

[Text] The Cambodian people's nationwide struggle movement against the genocidal Vietnamese enemy aggressors is growing in intensity with each passing day. In particular, since our National Army and guerrillas conducted activities in various areas deep inside Cambodia, our Cambodian people in those areas have become more encouraged and have closely cooperated with our National Army and guerrillas in actively attacking the Vietnamese enemy aggressors.

For nearly 7 years of their genocidal war of aggression in Cambodia, the Hanoi Vietnamese authorities have not relented in their oppression and persecution of our people. They detain and massacre our Cambodian people pitilessly through all means and methods. They rob our people and loot their property again and again, taking virtually everything from goods, grain, cattle, and houses to land and orchards. They rape our wives and daughters at will. They impose corvee labor on our people and prohibit them from going places and working for a living.

All these crimes of the Vietnamese enemy aggressors have caused many of our Cambodian people to perish most miserably; to live in pain and tragedy, separated from parents, other relatives, husbands, wives, and children; and to die tragically from hunger. For these reasons, the Cambodian people are most indignant at and resentful of the Vietnamese enemy aggressors. They have been resisting the Vietnamese enemy aggressors in various ways, such as by secretly stabbing stray Vietnamese soldiers and refusing to cooperate with the Vietnamese. They have been waiting for our National Army and guerrillas to attack the Vietnamese enemy aggressors in their villages so that they will be able to join with our Army and guerrillas in crushing the Vietnamese to avenge old blood debts and grudges.

Therefore, our National Army's activities deep inside the country have greatly boosted the morale of our people and have further emboldened them to resist and attack the Vietnamese enemy aggressors. Wherever our National Army has gone, it has been enthusiastically welcomed by the local population, which has provided support, food, shelter, information, and guides for our National Army in attacking the Vietnamese enemy. Our National Army's and guerrillas' activities inside the country have also given our people support enabling them to rise up and attack the Vietnamese enemy in more significant ways. The slightest incident involving the Vietnamese now provides our people and opportunity to join hands in attacking the Vietnamese enemy without delay. For example, recently at Kompong Luong, north of Phnom Penh, following the attack on and annihilation of the Vietnamese enemy at Prek Kdam by our National Army, our people in the whole village rose up against Vietnamese nationals and burned down many of their houses. This incident alarmed foreign journalists in Phnom Penh. The uprisings by our people against the Vietnamese nationals who have come in to grab their land and loot their rice in the fields and their fish in Tonle Sap and other ponds and rivers have become more frequent now. They show that the Cambodian people's hatred for the Vietnamese enemy has reached an unbearable level. This is a new emerging force that is joining with the forces of our National Army in resisting the genocidal Vietnamese enemy aggressors, expansionists, and annexationists.

At the same time, this spate of courageous uprisings by our Cambodian people joining our National Army in the struggle against the Vietnamese enemy aggressors has influenced the fraternal Cambodian soldiers forcibly drafted into their service by the Vietnamese aggressors. These Cambodian soldiers also hate and hold a grudge against the Vietnamese, who mistreat and despise them and who have raped their wives and daughters. They are also indignant at the Vietnamese who have been slaughtering their Cambodian countrymen. Therefore, as our National Army and local people are joining hands more vigorously in dealing blows to the Vietnamese enemy aggressors, these Cambodian soldiers have also been more frequently rebelling against the Vietnamese aggressors. Incidents in which Cambodian soldiers have attacked Vietnamese nationals, lobbed hand grenades at them, and ransacked Vietnamese-owned shops in markets and along streets have become more and more frequent. This proves that the Cambodian soldiers are angry at the Vietnamese enemy aggressors and land grabbers. They have been directing their national hatred at those Vietnamese nationals. This is also a new force that is joining with the forces of our National Army, guerrillas, and people in attacking the genocidal Vietnamese enemy aggressors, expansionists, and annexationists.

In conclusion, the struggle movement of our Cambodian people in the interior of the country in addition to that of our National Army against the Vietnamese enemy aggressors is gaining great momentum with the passing of time. It can be compared to an erupting volcano, burning the Vietnamese enemy everywhere in the country.

The Vietnamese enemy aggressors, despite their brutal efforts to crack down on our people, can in no way break the people's aspirations for independence, sense of patriotism, and will to fight. On the contrary, the more brutally the Vietnamese enemy aggressors try to suppress our people, the more vigorous will be our people's united struggle against them. Therefore, should the Hanoi authorities remain stubborn in continuing to invade and occupy Cambodia and in refusing to withdraw their aggressive troops from Cambodia as demanded by the UN resolutions, they will certainly be completely crushed and driven out of our country by our Cambodian people and National Army.

VODK CITES SON SANN ON CGDK ANNIVERSARY

BK300931 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 29 Jun 85

[Text] On the occasion of the third anniversary of the formation of the CGDK, Son Sann, prime minister of the CGDK, stated on 27 June that at present the three CGDK parties are working closely and their forces are most active everywhere in Cambodia. He said that despite recent attempts to destroy the CGDK forces on the battlefield, the Vietnamese have failed to crush them and prevent them from moving inland.

On the international scene, the CGDK enjoys ever-increasing support for its objectives of a peaceful settlement of the Cambodian problem and the restoration of independence, neutrality, territorial integrity, and nonaligned status for Cambodia.

Son Sann also stated that the CGDK welcomes any effort to find a solution to the Cambodian problem and that any such solution must include the representatives of the CGDK as it is the sole legitimate government of Cambodia.

COMMENTARY RESTATES CALL FOR TALKS WITH THAILAND

BK291053 Vientiane Domestic Service in Lao 0000 GMT 29 Jun 85

[Unattributed commentary: "Settlement of Problems Through Talks Is the Global Trend"]

[Text] The LPDR Government's new proposal to the Government of the Kingdom of Thailand asking the latter to appoint a delegation to participate in talks with a delegation of the Lao Government in either Bangkok or Vientiane to discuss matters of mutual concern for the interests of the Lao and Thai peoples has so far not received a positive response from the Thai side. This proposal was clearly stated in the Lao Foreign Ministry's 6 June statement. The Thai side has not yet expressed any serious intention to join the Lao side in smoothly resolving problems.

Even though the Thai side mentioned talks in the Thai Foreign Ministry's 14 June statement on Thai-Lao relations, the people in general are of the opinion that the statement is evasive and vague. Moreover, the Thai Foreign Ministry's statement contains a slanderous propaganda theme, charging that Laos continues to raise a matter which is no longer an issue and that it has persisted in its efforts to sow discord within the Thai Government and divide the Thai Government from the Thai people. At the same time, the Foreign Ministry made various other accusations, distorted the true situation in Cambodia, and so forth.

As a matter of fact, these accusations are baseless. The Lao side has raised only facts concerning Lao-Thai relations, economic and cultural issues, and matters of true cooperation in various spheres of bilateral interest between the Lao and Thai peoples and the two nations. The Lao side has pledged to jointly discuss ways to repair and promote the fraternity and time-honored similarities which have regrettably been affected as a result of the activities of a handful of people -- the ultrarightist reactionaries in the Thai ruling circles.

Regarding the situation in Cambodia, public opinion in the world and Thailand understands well that it is appropriate for the genocidal Pol Pot-Ieng Sary clique to be driven out by the Cambodian people and for the Cambodian people to have a chance to revive. This revival effort has continued for 6 years now -- 6 years of firm advance and firm confidence in their future. The situation in Cambodia cannot be reversed.

In all spheres of international relations, economic or political, all disputes can only be resolved when there are talks and peaceful discussions. The Soviet Union's reasonable proposals to the Reagan administration on talks for reducing the arms race, for ensuring peace and security in the world, and for checking the arms race in space are aimed at seeking ways to resolve problems and to bring about world peace. This also applies to other parts of the world. All disputes, clashes, or confrontation must be resolved through meetings and talks. Many UN General Assembly sessions and major international conferences have opposed the arms race by the imperialist countries and the creation of a war atmosphere, and called for the settlement of problems that may cause tension in the world.

In Southeast Asia the trend for the settlement of problems through talks and discussions is increasing with each passing day. Only the Beijing expansionist-hegemonists and some imperialist countries and their henchmen have opposed negotiations and the creation of detente. In this spirit, it is appropriate for the Thai side to approve and accept the Lao side's proposal for talks in order to improve the time-honored fraternal and neighborly relations between the Lao and Thai peoples, because only through talks can problems be resolved.

IMPROVEMENT OF RELATIONS WITH THAILAND DESIRED

BK021334 Vientiane Domestic Service in Lao 0500 GMT 2 Jul 85

[Unattributed commentary: "The Lao Side Always Shows Its Good Intentions of Improving Lao-Thai Relations"]

[Text] On the afternoon of 1 July, Soulivong Phasitthidet, Lao deputy minister for foreign affairs, invited Somphong Faichampa, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, to meet him to receive a letter from Phoun Sipaseut, LPDR minister for foreign affairs, to Air Chief Marshal Sitthi Sawetsila, foreign minister of the Kingdom of Thailand, dealing with negotiations between Laos and Thailand.

As clearly stated in the LPDR Foreign Ministry's 6 June statement, Lao-Thai relations have been neighborly and fraternal since ancient times. The two peoples have all along lived in concord and loved and assisted each other. Despite ferocious divisive schemes of the imperialists and reactionaries, the relations have surmounted trials. More specifically, since the establishment of the LPDR, the hearts of the Lao and Thai peoples have remained linked regardless of the different political and social systems and despite occasional tension between the two countries. In this spirit, desiring to improve the fine relations between Laos and Thailand and to preserve them forever in accordance with the two peoples' aspirations, the Lao Foreign Ministry in its 6 June statement proposed once again government-level negotiations to discuss and seek ways to benefit Lao-Thai relations.

Despite the fact that Lao-Thai relations have been affected and become tense lately and that the Thai reactionary troops who had occupied Lao territory on 6 June 1984 have not completely withdrawn from this territory, the Lao Government, desiring to improve the fine relations between the Lao and Thai peoples, has again endorsed sincere bilateral negotiations. Firmly persisting in this unchanged position, Lao Foreign Minister Phoun Sipaseut has sent a letter regarding negotiations to Thai Foreign Minister Sitthi Sawetsila. This once again shows the Lao side's goodwill in its desire to resolve the problems of Lao-Thai relations and its concern and uneasiness about the way relations have been affected. This not only responds to the aspirations and legitimate interests of the two peoples but also positively contributes to ensuring peace, stability, and tranquility in the region.

Earlier, on 14 June, the Foreign Ministry of the Kingdom of Thailand issued a statement in response to the LPDR Foreign Ministry's statement. In this statement, the Thai Foreign Ministry said its government is always ready to respond positively to an agenda seriously proposed by the Lao Government for bilateral discussions aimed at promoting economic, social, and cultural relations between the two countries.

Now that the Lao side has once again affirmed its desire to materialize the negotiations, it is time for the Thai side to reciprocate seriously -- to hold discussion to resolve problems and to restore and develop the fine relations between Laos and Thailand in accordance with the two joint Lao-Thai communique signed in 1979.

CAMBODIAN RESISTANCE ACCEPTS TALKS PROPOSAL

HK030900 Hong Kong AFP in English 0845 GMT 3 Jul 85

[By Allen Nacheman]

[Text] Bangkok, July 3 (AFP) -- Cambodia's tripartite resistance has agreed to a Thai proposal for modified "proximity talks" with Hanoi on Cambodia's six-year guerrilla war, Thai Foreign Minister Sitthi Sawetsila said today. The modified talks call for discussions between Hanoi and the three resistance factions under the Coalition Government of Democratic Kampuchea (CGDK), possibly with representatives of the Hanoi-backed Phnom Penh government of Heng Samrin, he said. The original Malaysian proposal for proximity talks between the CGDK and Phnom Penh had met with reluctance from some resistance factions fearing such talks would be tantamount to de facto recognition of Vietnam's six-year military presence in Cambodia.

Mr Sitthi told reporters at the airport on his return from China that Prince Norodom Sihanouk, president of CGDK, had agreed in Beijing to the Thai modification. He said the Thai proposal had been put to leaders of the Khmer People's National Liberation Front (KPNLF) and the communist Khmer Rouge before he left for China, and that "there was no opposition from the CGDK." Asked about the Vietnamese position on the talks, Mr Sitthi said "We have not even talked to the Vietnamese yet." He said no site for the talks had been discussed. "We have to hear what the Vietnamese have to say about the proposal first."

Foreign Ministry Political Director Thep Devakul [name as received] said Khieu Samphan, foreign affairs chief of the communist Khmer Rouge, and Abdul Gaffar of the KPNLF had reaffirmed their acceptance of the modification in a meeting in Bangkok on Monday while Mr Sitthi was in China. KPNLF representative Bun Say today told AGENCE FRANCE-PRESSE the KPNLF "fully supports" the Thai modification and would agree to hold proximity talks with Hanoi in the presence of Heng Samrin representatives.

Mr Sitthi said the Thai proposal would be put to a foreign ministers meeting of the Association of Southeast Asian Nations (ASEAN) in Kuala Lumpur this month. He said Asa Sarasin, permanent secretary of the Foreign Ministry, would leave for Kuala Lumpur today to lay the ground work.

Mr Sitthi said Thailand's proposal called for proximity talks between the CGDK and Hanoi, and "if the Vietnamese wanted to invite Heng Samrin representatives to attend the meeting, it's up to them." He discussed the question with his Chinese counterpart, Wu Xueqian, he said, and was told China agreed to the proposal and would "continue to support Thailand's and ASEAN's position on the Cambodian question." Mr Sitthi stressed that China had not pressured the Khmer Rouge to accept the proposal, saying, "They're the ones who agreed before I left."

The foreign minister said the fruitfulness of the proposal would "depend on the sincerity of the Vietnamese in solving the Cambodian problem...this is only one step toward solving the problem." He said that if the talks fail, "we'll continue to raise international support for the cause. I think that we would get sufficient backing. That is my understanding of the situation."

The original Malaysian proposal for proximity talks was taken under advisement by a meeting of ASEAN senior officials in Bangkok in May. But the leaders of the three CGDK factions -- the KPNLF, the Sihanoukists and the Khmer Rouge -- had not agreed on a common stand on the proposal.

SPOKESMAN COMMENTS ON RELATIONS WITH PRC

BK021522 Bangkok Domestic Service in Thai 0000 GMT 1 Jul 85

[Statement by Sawanit Khongsiri, director general of the Foreign Ministry's Information Department, marking the 10th anniversary of the establishment of Sino-Thai diplomatic relations -- recorded; date and place not given]

[Excerpts] Since the establishment of diplomatic relations between Thailand and China, both countries have been trying to foster mutual trust. It is known that at the time Thailand had a problem with the Communist Party of Thailand [CPT] and terrorists. They were able to exist because of external support. Since we agreed on the principle that we will not interfere in each other's internal affairs, China stopped its assistance to the CPT and communist insurgents, which was the major factor in the CPT's loss of influence in Thailand. Besides, normal trade between the two countries was resumed after the normalization of relations. All of you probably still remember that at the time of the oil crisis, China sold oil to Thailand at a friendship price to help relieve Thailand's difficulty. This is only one example.

The bilateral trade volume in the past 10 years has increased greatly on the basis of mutual benefit. As for investment relations, the Thai Government and Thai people have been investing in China while the Chinese Government has also come to invest in Thailand in areas such as bidding on some construction projects. All these will benefit both sides because they establish the basis for good relations between Thailand and China. We can learn from each other in several fields. Since China is a developing country, we can learn a number of things from it such as irrigation, agricultural and farming technologies, and the production of fertilizers. Thailand has already sent several missions to China to study such technologies and experiences. At the same time, China also sent its delegations to Thailand to learn agricultural and fishery technologies. Regarding social and cultural relations, both countries have exchanged visits by several teams. Thai arts troupes have visited China four times during the past 10 years, while Chinese arts troupes have also paid four visits to Thailand. A Thai arts troupe is now visiting Beijing, and a 95-member Chinese cultural troupe, the ever biggest to visit Thailand, is performing at the National Theater in Bangkok.

Both countries will continue to lay down a foundation and create trends that will benefit both sides. Although relations in several fields have been developed quickly during the past 10 years, we still need to expand our relations in some fields; for example, both Thailand and China export similar products -- agricultural products and even some industrial products such as textiles. Therefore, good relations between the two nations will enable them to avoid competition for foreign markets. Both sides will not benefit if they compete with each other. We have to continue cooperation to avoid price cutting and market competition.

The Thai Government attaches priority to the development of relations with China. China is a socialist state, while Thailand is free. Such relations will benefit both sides and are considered significant. If the people of Thailand, China, and other countries in Southeast Asia or even those in other parts of the world want to coexist peacefully and firmly, they will have to establish relations like those Thailand and China have been trying to create. This is considered a good example because one is a big country while the other is a small one. Despite their different ideologies, they coexist peacefully. Moreover, they have cooperated in their mutual interests. Both countries have tried to establish good relations during the past 10 years and have achieved considerable success. Therefore, both Thailand and China will have to continue further their relations in the next decade.

PAPER REVIEWS DECADE OF 'AMITY' WITH PRC

BK021426 Bangkok SIAM RAT in Thai 1 Jul 85 p 2

[Chaiwat Ponpiam's article: "The Decade of Thai-Chinese Amity"]

[Text] Among the hundreds of people who went to China during the past week were the three Thai delegations led by M.R. Khukrit Pramot, former prime minister and leader of the Social Action Party, which is the biggest party in the Thai coalition government; Foreign Minister Air Chief Marshal Sitthi Sawetsila; and Major General Chatchai Chunhawan, who served as foreign minister of Thailand 10 years ago and is now deputy leader of the ~~opposition Chat Thai Party~~ and president of the Thai-Chinese Friendship Association.

These people, including an arts troupe from the Fine Arts Department, went to China with the intention of consecrating 1 July 1985 to commemorate the 10th anniversary of the establishment of the Sino-Thai diplomatic relations, the agreement on which was signed when M.R. Khukrit Pramot -- then the prime minister -- visited China in 1975. Relations between the two countries had been severed when the communists took power in mainland China.

As a matter of fact, Thai leaders before M.R. Khukrit had also wanted to normalize relations with China, but they were reluctant to make any approach to China because it was still supporting the outlawed Communist Party of Thailand [CPT] in carrying out its terrorist activities in all parts of Thailand. They feared that the establishment of diplomatic relations with Beijing and a PRC Embassy in Bangkok would only facilitate the flow of Chinese assistance to the CPT.

North Vietnam's victory in Indochina triggered the Thai Government to review its policy toward China. It was M.R. Khukrit who decided to give the "green light" to the establishment of Sino-Thai diplomatic relations, a gesture of Thailand's acknowledgment of the new balance of power in Southeast Asia.

Thailand has benefited from its diplomatic relations with China. First, the decrease in Chinese assistance to the CPT, coupled with Thailand's policy of using politics ahead of military means, has subdued communist terrorism in the country. At present, the communists can no longer pose any threat to Thailand.

Second, the existing Sino-Thai relations have become the major force in Southeast Asia to check the increasing Soviet-supported aggressiveness of Vietnam. This assumption can be substantiated by the outbreak of violence between China and Vietnam in 1978 and the Chinese pledge to give its full support to Thailand if it is attacked by Vietnam. The pledge was made in wake of the Vietnamese aggression against Cambodia.

The Thai Government has reportedly been helping China clandestinely deliver weapons to the resistance forces in Cambodia. It was also reported prior to the departure of the Thai delegations to China that Prince Sihanouk had left Pyongyang for Beijing, where he was scheduled to hold talks with Foreign Minister Air Chief Marshal Sitthi Sawetsila and other Thai officials.

It should be noted that, despite the complexity of Thailand's politics, a visit to China seems to be a must or a common practice for the leaders or important personalities in this country. This is a clear indication of Sino-Thai relations during the past decade and the trend of further developments.

TURKEY'S OZAL STOPS OVER, DISCUSSES TRADE

BK010419 Bangkok BANGKOK POST in English 1 Jul 85 pp 12, 15

[By Kawaljit Singh]

[Excerpt] Turkey is keen to bolster its trade and economic relations with nations in this region including Thailand, and intends to see aviation ties between the countries as the beginning of cooperation in the future, according to Turkey's Prime Minister Turgut Ozal.

In an exclusive interview with BUSINESS POST on Saturday, the Turkish leader -- who stopped over in Bangkok for one day enroute to China -- said he has already instructed the Turkish national carrier to look into the possibility of negotiating with Thai authorities on regular flights for the two national carriers.

He said the opening of an aviation link would be the "beginning of future trade and economic cooperation," apart from promoting tourism in the two countries.

According to Mr Ozal, Turkey was even prepared to allow Thai Airways International to fly to Istanbul or to stop there on flights to other destinations. "The flight could at the early stage be launched on one side by Thai," Mr Ozal said.

"With the improvement in transportation between the two countries, I am sure that there will be a lot of possibility in trade," he said.

The Turkish leader is heading a 150-member mission to China -- the largest Turkish team going abroad since the country turned to a free market economy -- to foster trade and economic ties with China.

The mission comprises high-ranking government officials, businessmen from the industrial sector including four leading construction companies, and journalists.

Mr Ozal also suggested the possibility of setting up a business council between the two countries as another way to bolster trade ties.

Last year, bilateral trade between the two countries totalled US\$13.87 million (about 356 million baht), of which about \$11.8 million (about 356 million baht), accounted for imports from Thailand, he said. Turkey's major export item to Thailand is tobacco, while the main import from Thailand is cereal.

Mr Ozal said that his visit to China followed an exchange of several trade missions as well as official visits of the presidents of the two countries.

FINANCE MINISTER TALKS ABOUT ECONOMIC POLICIES

BK010751 Bangkok THE NATION in English 1 Jul 85 p 19

["Text" of "exclusive" interview granted by Finance Minister Sommai Huntrakun to unidentified correspondent of THE NATION, through written questions and responses, on government economic policies]

[Text] Question: What are the prospects for fiscal policy this year and next year? Can you achieve the targets in reducing foreign debt?

Sommai: In drawing up the 1986 budget the government wants to ensure that the growth of expenditure remains within the limits of our ability to collect revenue. This also means that any deficit must be kept down to amounts that the economy can handle. The objective is to maintain economic stability and at the same time letting the economy grow at a suitable rate.

In general we have designed fiscal policy so as to reduce imbalances in the economy. The plan is to lay the foundations for long-term, secure growth, which requires careful spending as well as a reduction in excessive expenditure by the public sector, particularly among public enterprises. Saving has to be encouraged so that there is less dependence on other countries in order that our economy can face the intensifying competitiveness of the world market.

~~Regarding public debt, the Ministry of Finance is taking pains to make sure that~~
domestic debt remains within the bounds set. There has to be a slow-down in a new borrowing and the debt burden as a whole has to be adjusted to avoid the possibility of a large number of loans all having to be repaid at the same time.

In our handling of foreign debt, we have to be strict in limiting its growth. We should borrow exclusively for priority projects, and the priorities should be determined by necessity and the benefit that the projects can yield.

There will have to be strict discipline in public sector borrowing as a whole. Saving will have to be increased and expenditure reduced, and we will have to cut imports which do not show clear benefits in terms of foreign exchange.

By linking fiscal and monetary policy, the Ministry of Finance expects to be able to meet its targets, both for revenue collection and for the reduction of foreign debt.

Question: What is the policy towards domestic borrowing?

Sommai: Domestic borrowing can be separated into two categories.

First, we borrow in order to cover budget deficits. Budget plans have to comply with the legal requirements to keep total borrowing within 20 percent of the total annual budget (or the supplementary budget); or within 80 percent of the portion of the budget set out for domestic and overseas debt repayments.

To this end, the government has restricted the budget deficit to 35,000 million baht or 3.5 percent of GDP. And therefore, the trend is for this category of debt to be reduced gradually.

But there is still the problem of the money that we borrowed in previous years, also to cover budget deficits. These were in larger amounts and at higher rates of interest, with shorter maturity terms. We have prepared various means of lightening the burden in this respect, such as refinancing the debt and finding other ways of raising the money.

Secondly, there is the domestic borrowing of public enterprises. The enterprises needed to find supplementary baht funds for their various projects, instead of borrowing from abroad. From now on, there will have to be an increase in the accumulation of savings so that goods can be bought in the country. We are campaigning to get the public to buy goods Made In Thailand. This will help us to look after the balance of payments.

Question: What about the use of government bonds?

Sommai: The Ministry of Finance is urgently examining new ways of promoting the sale of government bonds. For instance, ways of getting bonds to be traded more freely on the securities exchange, or ways of developing various institutions and organizations, so that we can have an efficient secondary market. There are still many avenues open for the promotion of the bond market.

Question: To what extent does the Ministry of Finance use fiscal policy to bring about industrial restructuring?

Sommai: In the past, the ministry has placed a lot of emphasis on this. Fiscal policy has been used to develop the economy under the first and second economic restructuring plans.

In particular, the measures introduced on April 5, the tax changes -- import duties, domestic taxes and excise duties -- these were intended to develop manufacturing in this country in sectors that are fundamentally suitable for the country; for instance, chemical products, machinery, and raw material and semi-manufactured products. The tax changes were intended to restructure the export and linked industries, as well as to rationalize tax collection.

Together with the Board of Investment, we also have plans to reconsider the promotional privileges given to investors. We want to arrive at a policy that is most suitable to the present circumstances. And when we set protective tariffs and import duties we aim to conform with the investment promotion policy.

Question: How much refinancing of foreign debt will there be this year and next year?

Sommai: The refinancing that we are preparing at the moment is part of our regular readjustments in order to reduce the interest burden. We need to be consistent with the foreign exchange system and avoid having the burden falling heavily all at one go. We do not want our borrowings to be excessively in any one currency. There has to be an active and continuous debt management policy with the principle aim of reducing the baht value of foreign debt, or at least not to let the foreign debt be worth more in baht than at the time of the original borrowing.

This year, about U.S. \$400 million has already been refinanced. Future refinancing depends on the market, and on our needs.

Question: How far has the policy of improving public enterprise efficiency been implemented, and what are the areas which require most changes?

Sommai: It is government policy to increase the involvement of the private sector by selling loss-making state enterprises which are inefficient. The prime minister appointed the National Public Enterprises Board on March 29, entrusting it with the following duties:

1. Monitoring the operations of the public enterprises so that they stick to their corporate plans and to government policy.
2. Giving advice on the enterprises' financial problems.
3. Giving advice on pricing policies, which have to be consistent with government policy.

4. Giving advice on the principles and methods of giving the private sector a share in the ownership of the enterprises.
5. Co-ordinating between the public enterprises and government agencies so that the operations of the enterprises can function well.
6. Giving advice on labour relations problems.
7. Taking other action as instructed by the cabinet.

The board meets once every month. As for the priorities, the enterprises have to try to be self-reliant and attain the management efficiencies of private enterprises.

Question: Should there be an office to look after all this?

Sommai: There is probably no need at present, but in the future, if the Public Enterprises Board sees that there is a need, we can do so.

But it is very important that the government should take a close interest in the operations of its organizations. In the past, some enterprises have fulfilled their objectives well, but others have faced a number of internal and external difficulties.

For example, in corporate planning, management, personnel administration, finance, marketing and other areas. Although there are many agencies which are responsible for the public enterprises, they tend to concentrate on different aspects. This has made the overseeing of public enterprises somewhat uncoordinated, without any emphasis on the general policies. This is why the Public Enterprises Board was set up.

Question: How do you view fiscal and monetary policies in the next five years?

Sommai: I would like to see these policies directed towards economic stability but with well-being increasingly spread to the people. The economic system should be developed progressively and we should depend as much as possible on our own income and savings.

In the next five years, I would expect international competitiveness and world economic turmoil to remain with us. The international economy, both at the government level and at the individual level.

What I would like to see is our economy having the ability to function with security and flexibility as an open economy within the world system. Monetary and fiscal policies have to be based on correct reasoning, without emotional judgment.

RESIGNATION PROMPTS ARMY OFFICER RESHUFFLE

BK010329 Bangkok THE NATION in English 1 Jul 85 p 3

[Text] Four senior Army officers have been reshuffled as part of what has been described as a mid-year transfer move. Maj Gen Somkit Chongphayuha, deputy Third Army commander, has been named deputy chief of the Army training command, informed sources said.

Other changes include the transfer of Maj Gen Wichian Sangkhaphraiwan, deputy chief of the Army training command, to become chief of the Royal Thai Survey Directorate; Maj Gen Aphitthep Intharaphithak, commander of Chiang Mai Army circuit to become deputy Third Army Region [as published] and Col Withun Sunthonchan, deputy chief-of-staff of the Third Army to become Chiang Mai Army circuit commander. The sources said that the limited transfers were prompted by the resignation of Maj Gen Wichian Chanphensi as deputy chief of the Royal Thai Survey Directorate due to health reasons. "The reshuffle was on a limited scale and there was no particular significance to the changes," the sources said.

It had earlier been reported that the annual mid-year military reshuffle this year would be postponed until October to coincide with the annual reshuffle so that all the changes will take place at the same time. But the limited reshuffle which came into effect in April came as a result of Maj Gen Wichian's resignation, leaving a gap which had to be filled, making it necessary to also make a few other transfers.

PAPER VIEWS BUDGET PLANS FOR F-16 PURCHASE

BK011400 Bangkok NAE0 NA in Thai 29 Jun 85 p 9

[Khamron Wangwangsi article: "The Air Force Will Pay for the F-16 Fighters From Its Own Pocket"]

[Excerpts] The cabinet on 18 June approved the Air Force plan to purchase F-16 fighters from the United States. Under the purchase plan, the Air Force will pay \$317,891,000 or about 8,901,000,000 baht for 12 F-16 A and F-16 B fighters, as well as spare parts, flight training, and other services. The payment will be made in installments over a period of 5 years from 1985 to 1989. Deputy Defense Minister Air Chief Marshal Phaniang Kantarat told newsmen that the Air Force realizes the government's need to use its national budget for various development projects. Therefore, the Air Force will use its own annual budget for the purchase, and will not ask the government to increase the budget allocated to it or seek loans from foreign countries.

One benefit from this deal is that in time of war, the United States will be able to support Thailand by sending more F-16's because Thailand will have qualified and experienced pilots and specialists to operate and maintain such fighters. One noteworthy reason for the purchase is that the Air Force's F-5 fighters will be obsolete. Therefore, a committee on the selection of jetfighters, chaired by an air marshal, held meetings to map out a plan to acquire sophisticated aircraft which can be used for the next 10 to 20 years.

A source disclosed that the committee has been working on this project for a long time, not just the last one or two years. The committee has studied the efficiency, flight, maintenance, and reliability of almost all types of jetfighters in the world before making a decision to buy the F-16's. Earlier, there were some press reports publicizing the disadvantages of the F-16's. These articles are based on the opinion of aircraft sale agents, who try to misinform us about other companies' aircraft so that theirs will be considered by the Air Force.

According to a confidential report, the Air Force did not make the decision to purchase the F-16 fighters in a rush or without careful consideration. The Air Force reported the plan to the National Economic and Social Development Board [NESDB] and received approval in 1981. Thus, the NESDB included the Air Force's plan to acquire F-16's in the Fifth National Economic and Social Development Plan (from 1982 to 1986). As a result, the purchase of F-16 aircraft by the Air Force will not have any major impact on the present economic situation.

COLUMNIST REGRETS ELECTORAL PROPOSAL WITHDRAWAL

BK301009 Bangkok THAI RAT in Thai 29 Jun 85 p 3

[Column by "Mangkon Halep": "Why Has the One-Man-One-Vote Proposal Been Withdrawn?"]

[Text] The proposal for "one-man-one-vote" system has been withdrawn. I regret that. Anybody wishing to see politics in Thailand march ahead with the times instead of staggering behind will share my feelings. Well, never mind the method of elections. Let the elections be held.

The reason given by those opposing the one-man-one-vote system is that no party will win a majority in parliament. All parties will be represented in Parliament, thus creating some sort of confusion. They will have to task an old military officer to be their prime minister to act as a mediator for all those interest groups.

Michai Ruchuphan, who proposed one-man-one-vote elections, had to withdraw his proposal out of his good intentions for the country because others interpreted his move as an attempt to make it possible for somebody to whom he is loyal to become prime minister. That person is General Prem Tinsulanon, whom everyone believes will become prime minister again if the one-man-one-vote system is adopted for the next election. At this point, I have the feeling that my heart has stopped.

A majority of members of Parliament and politicians oppose the one-man-one-vote system because they are afraid that Parliament will be ruled by hundreds of political parties and that Khun Prem Tinsulanon will be made prime minister again! It means that those who are involved in politics at present do not wish to see Gen Prem Tinsulanon continue as prime minister.

It may be because the prime minister has proven to be not so keen in economic matters or because he is too much of an old man who should be taking a stroll on the Tinsulanon bridge or on Yo Island. In conclusion, they do not want the one-man-one-vote system but prefer the multiconstituency, individual candidacy voting system. If you were Gen Prem Tinsulanon, would not you feel bitter and hurt?

He has done his best in his office on the basis of honesty and efforts to find a compromise with all groups. Now that they are planning for the next election, those people are trying to block him by rejecting the electoral method favored by most countries worldwide. Their major reason is that they are afraid that the one-man-one-vote system will result in all parties winning seats in parliament, causing confusion to rule once more in Parliament. They will then have to ask a retired military officer to be prime minister and see leaders of elected political parties as deputy prime ministers of the coalition government. In short, the one-man-one-vote proposal was withdrawn because of the fear that Gen Prem Tinsulanon will become prime minister again. Let me ask you frankly: Can you still look each other in the eye when you run into each other?

CORRECTION TO KHUKRIT'S COMMENTS ON PRC VISIT

The following correction pertains to the item headlined "Khukrit Comments on PRC Ties Before Visit" published in the 27 June Asia & Pacific DAILY REPORT, page J 3, first paragraph, line two:

...smile before saying: "The premier told me China will never, never, never attack Thailand." He added that he then told Zhou: "That is very... (supplying dropped passage)

NHAN DAN CONDEMNS U.S.-THAI MILITARY EXERCISE

OW030825 Hanoi VNA in English 0745 GMT 3 Jul 85

[Text] Hanoi VNA July 3 -- NHAN DAN today says that the current joint military exercise codenamed "Gold Cobra 85" of the United States and Thailand in the southern gulf of Siam is an ill-timed sabre-rattling.

The paper says: "These war games are taking place near the Indochinese peninsula and at a time when the ultra-rightists in the Bangkok administration, ganging up with Beijing, persist in their frenzied hostile policy toward Vietnam, Laos and Kampuchea, thus making the situation in the region ever more tense. This is a brazen provocation against the Indochinese countries, threatening peace, security and national independence of countries in Southeast Asia."

The paper recalls recent acts of the U.S. aimed at increasing its military presence in Southeast Asia such as its five million-dollar military aid to the Khmer reactionaries, its hundreds of millions of dollars' aid and supply of more modern weapons to the Thai Army, the visit to Thailand early this year by Paul Wolfowitz, assistant secretary of state for East Asian and Pacific Affairs, and the recent "inspection" tour of the Khmer reactionaries' bases in Thailand by W. Casey, CIA director, with a view to giving them additional military aid.

The paper goes on: "The Bangkok administration, with the backing of the U.S. and other international reactionary forces, is persisting in their great Thailand policy toward the three Indochinese countries. Thailand has repeatedly violated Lao and Kampuchean territories, brazenly interfering in the internal affairs of the countries in the region, turning its land into sanctuaries for the genocidal Pot Pot remnants who are condemned by the whole mankind."

"The sabre-rattling of the Washington and Bangkok administrations is ill-timed since some countries in the region are advocating dialogue and want to solve all disputes through peaceful means. The U.S.-Thai show of might has only poisoned the already tense atmosphere in the region," the paper says in conclusion.

ARMY PAPER DENOUNCES U.S. LEBANESE POLICY

OW021852 Hanoi VNA in English 1503 GMT 2 Jul 85

["Paper Denounces U.S. Old Tricks Against Lebanon" -- VNA headline]

[Text] Hanoi VNA July 2 -- Reagan administration has seized upon the hijacking of a TWA airliner in Beirut to project its military power and intimidate the Lebanese and other Arab nations, says the Army paper QUAN DOI NHAN DAN in a commentary today. The paper denounces Washington for using the hijacking crisis as an excuse to increase its presence in the Middle East in pursuance of an outmoded military policy. The move is also a direct support for the Israeli aggressors troop deployment to establish "a security zone" and their acts of terrorism against the patriotic forces in Lebanon.

The United States has not drawn the necessary lessons from its involvement in the Lebanese situation. The patriotic forces of Lebanon gained valuable experience in their struggle against the Israeli aggressors for national independence, democracy and social progress. By pursuing its dark schemes and policies of intervention and aggression, Washington could only invite upon itself more serious setbacks, QUAN DOI NHAN DAN notes.

HANOI REPORTS SINO-THAI TALKS IN BEIJING

BK021250 Hanoi International Service in English 1000 GMT 2 Jul 85

[Text] Chinese Prime Minister Zhao Ziyang and Foreign Minister Wu Xueqian held talks with Thai Foreign Minister Sitthi Sawetsila in Beijing on Monday.

The two sides committed to continue their support to all Khmer reactionary groups to oppose the three Indochinese countries.

USSR LENDS ASSISTANCE IN COMMUNICATIONS

BK010640 Hanoi Domestic Service in Vietnamese 0500 GMT 30 Jun 85

[Text] Implementing the SRV-USSR treaty of friendship and cooperation, in recent years the Soviet Union has concentrated on aiding us in expanding and modernizing our communications systems, such as the Lotus satellite ground station system, the Hanoi-Quang Ninh and Hanoi-Vinh coaxial cable lines, and the electronic communications station for the research of radio wave transmission. Many other important projects such as the Hanoi-Ho Chi Minh City microwave communications line and various modern scientific and technological laboratories are actively contributing to improving the material and technical bases of our country's posts and telegraph sector.

The system of satellite ground stations Lotus-1 and Lotus-2 is the gorgeous flower of Vietnamese-Soviet friendship in the field of communications. These two modern communications projects, which directly link our country's communications and television system with the Intersputnik international communications system, not only help increase the volume of domestic and international communications exchanges manyfold but also bring our people the fresh televised newscasts transmitted by the major communications center of Moscow.

Only 5 years after putting the Lotus-1 station into operation in 1980, the Soviet Union assisted us in building the Lotus-2 station in Ho Chi Minh City and commissioning it on schedule to coincide with the 10th anniversary of South Vietnam's liberation.

The Hanoi-Quang Ninh coaxial cable line, a modern communications project being built with the assistance of cadres and workers of the Soviet posts and telegraph sector participating in communist labor, is in the last stage of construction. This project will help establish a new communications system from Hanoi to our country's largest mining industry area and many localities situated along the line with a volume of communications exchanges many times larger than before. Many projects that may benefit from the modern wired communications technology provided by this coaxial cable line are being built with Soviet assistance. The Hanoi-Vinh communications center is one of such projects.

JUSTICE MINISTER ELABORATES ON PENAL CODE

PM021924 Paris L'HUMANITE in French 27 Jun 85 p 9

[Daniel Roussel dispatch: "Work on Justice"]

[Text] Hanoi, 26 June -- Justice Minister Phan Hien recently spoke to L'HUMANITE's correspondent in Hanoi on the draft penal code now being discussed in the National Assembly. The death sentence will not be abolished, but that should not conceal the extent to which the drafting of this code is a great step forward for democracy.

Phan Hien also told us that the hundreds of thousands of people who left Vietnam secretly will be able to return to the country and that Mai Van Hanh, the man sentenced to death in the Ho Chi Minh City trial (whose sentence was commuted to life imprisonment) has a chance of not remaining in prison until he dies.

Phan Hien thinks that the adoption of the penal code is "particularly important" because it is "the SRV's first code. Since 1945 we have only published individual laws on criminal, civil, or administrative matters. This penal code will therefore strengthen socialist law and democracy." It will come into force, "if all goes well," on 1 January 1986. For decades laws have reflected the country's struggle for its independence and national sovereignty. During this period there have been few laws on marriage and the family. Moreover the adoption of a code of civil procedure is not planned until the next 5-year period from 1986 to 1990.

Once the war was won it was necessary to rebuild a country in which the effects of the conflict are still serious, "in which the south bears the traces of neocolonialism. We must have a code which stipulates all offenses and crimes in the penal sphere so that we can effectively combat the most dangerous acts. But what is important," the minister stressed, "is that only the person who has committed an offense in the eyes of the law bears criminal responsibility, the sentences being passed by the court." This does not mean that administrative measures will vanish, but they will be exclusively preventive. For instance a residence ban may be issued by the provincial authorities, but after approval from the Council of Ministers if public security is threatened. According to Phan Hien "a statutory order will be necessary before taking these administrative measures to avoid attacks on freedom. In this sphere," he explained, "the administrative authorities should not have a free hand. Hence the establishment of a system of control exercised by the National Assembly, the Council of State, and the courts of law."

In addition, polygamy is prohibited, but adultery is no longer a crime, and this is a great step forward in this country in which women have only just emerged from the dark days of the feudal system.

With regard to those who leave Vietnam illegally, the justice minister said that harsh sentences will be passed on the organizers and those who encourage people to flee. "For those who leave without intending to harm their country," he said, "we have adopted a very flexible and humane policy. Since they have broken the law they must be punished, but they risk a maximum of 2 years imprisonment. Most will only be warned or will be liable to reeducation without loss of freedom. The penal code makes provision for sentences of less than 2 years to be revoked after 5 years." Those who left illegally will therefore be able to return to Vietnam after 5 years without risk of prosecution. "We have not forgotten," the minister continued, "that there are 1 million Vietnamese refugees abroad. We need teachers, engineers, scientists, experts, and, of course, the capital which could be provided by these Vietnamese residents who, after a few years away from their country, will perhaps wish to come back or return to see their families."

The death sentence will not be abolished. But, Phan Hien said as if to attenuate the significance of this measure, "the death sentence is often commuted to life imprisonment. And there has never been a case of a prisoner remaining in prison all his life in Vietnam. They are usually released after 12 years imprisonment."

I asked the minister whether Mai Van Hanh, sentenced to death in December in the Ho Chi Minh City trial and pardoned by the chairman of the Council of State, would be released in 12 years.

"At present he is benefitting from a clemency measure. After that we will see. He has only been in prison a short time. But I do not think we would like to keep old and sick people in prison. If we are sure that prisoners can stay at home without harming society and if they behave well in prison, there is no problem about releasing them."

NATIONAL CROP PRODUCTION PROGRESS REVEALED

BK010738 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Jun 85

[Text] According to the Statistics General Department, as of 25 June, the northern provinces had reaped 474,122 hectares of winter-spring rice -- 100.6 percent as compared with the same period last year -- covering almost 50 percent of the cultivated areas. The provinces in former Zone 4 harvested the rice crop on 85.2 percent of the area, with Binh Tri Thien already completing the harvest, Nghe Tinh finishing 90 percent, and Thanh Hoa 66 percent. The provinces in the Red River Delta finished the harvest on almost 30 percent of the winter-spring rice area, the midland provinces on more than 53 percent, and the mountainous provinces on more than 41 percent.

At present, the winter-spring rice in the north is fully ripening. Last week, thanks to favorable weather conditions -- plenty of sunshine and little rainfall -- the rice crop was harvested at a quicker pace than in the previous week. In only a week, Ha Nam Ninh reaped the winter-spring rice on more than 22,000 hectares. The Red River Delta provinces, which still have large areas of winter-spring rice not yet harvested, are mobilizing manpower and means to rapidly step up the harvest so as to avoid possible damage caused by heavy rains.

Generally speaking, the north's winter-spring rice yield may surpass that of last year. This year, as the winter-spring rice is ripening late, it is harvested 20-25 days later than normal. A number of localities transplanted late spring rice on large areas -- about 50 percent of the entire area in Ha Son Binh -- and consequently, the harvest time is later than usual.

Along with concentrating efforts on reaping the winter-spring rice, the northern provinces are intensively making preparations for production in the 10th-month crop season. Some 273,746 hectares of land have been plowed, accounting for 108.8 percent of the area plan, and rice seedlings have been sown on 74,884 hectares, or 80.5 percent of the same period last year. The seedlings already sown are only sufficient to cover about 50 percent of the 10th-month rice area plan. However, harmful insects and diseases have appeared at a greater intensity than last year, affecting 1,594 hectares in Binh Tri Thien, 498 hectares in Thai Binh, 228 hectares in Ha Bac, and 110 hectares in Hai Hung.

Meanwhile, the southern provinces have in the main finished sowing and transplanting the summer-fall rice on 820,787 hectares, or 109.3 percent as compared with the same period last year. In particular, the Mekong River Delta provinces have finished sowing and transplanting on 119.2 percent of the area plan. Eight provinces -- An Giang, Cuu Long, Dong Thap, Hau Giang, Long An, Tien Giang, Dong Nai, and Thuan Hai -- have either fulfilled or overfulfilled their plans. The summer-fall rice is growing satisfactorily. All localities are concentrating efforts on tending and protecting the rice crop to ensure high yield.

The southern provinces have also transplanted the 10th-month rice on nearly 400,000 hectares. In particular, Dong Thap and An Giang have finished transplanting the 10th-month rice, chiefly of the floating variety, on 80-90 percent of their respective areas.

The entire country has also planted subsidiary food crops on 193,772 hectares, vegetables and beans on 62,540 hectares, and industrial crops on 92,793 hectares. These figures all show an increase over the same period last year, with food crops increasing by 50 percent. The northern provinces are slower in planting food and industrial crops than in the same period last year.

It is forecast that heavy rains are unlikely in the next 10 days, and it will be favorable for all localities to rapidly reap the winter-spring rice and accelerate production activities in the summer-fall and 10th-month crop seasons.

HANOI COMMITTEE DISCUSSES 8TH PLENUM RESOLUTION

BK010545 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Jun 85

[Text] On 27-29 June, the Hanoi Municipal Party Organization's Executive Committee held a meeting to study and discuss the implementation of the party Central Committee's Eighth Plenum resolution on prices, wages, and money. Comrade Le Van Luong, member of the party Central Committee and secretary of the municipal party committee, expounded on the spirit and basic contents of the party Central committee's resolution for study and discussion by the meeting participants.

The meeting unanimously supported the resolution's aim of definitely abolishing the system of bureaucratic centralism and subsidization, correctly implementing the system of democratic centralism, and carrying out socialist economic accounting and business. The meeting participants expressed the belief that with the new policy on prices, wages, and money and the mechanism of economic management, a revolutionary emulation movement will be initiated among the masses; and the municipality's socioeconomic situation will undergo drastic changes.

The meeting decided that the Hanoi party organization must urgently and determinedly implement the party Central Committee's resolution in a coordinated and well-planned manner. As an immediate step, price differentials must be included into wages at an early date; and this will be done on an experimental basis at Me Linh District beginning 1 July. Through this experimentation, experience will be drawn for application throughout the municipality.

To carry out this task satisfactorily the municipal party committee decided that preparations must be made now in all respects, primarily concerning money and goods, to set up definite bases for rapidly implementing the specific regulations to be promulgated by the state. Ideological work must be carried out satisfactorily in all sectors and at all echelons as well as among party cadres and members and the people of all walks of life so as to develop a single-mindedness in thought and action for the purpose of carrying out the resolution in a scrupulous and uniform manner.

AUSTRALIAHAWKE SAYS NEW TAX PACKAGE IN PROGRESS

HK021216 Hong Kong AFP in English 1156 GMT 2 Jul 85

[By David Barnett]

[Excerpt] Canberra, July 2 (AFP) -- Australian Prime Minister Rob Hawke today told a national conference here on his government's proposed tax reforms that the government was now working on an amended package. Support for the proposed reforms developed during the second day of the conference of interest groups today, although all groups continued to criticise aspects of the government's white paper on tax reform. At the end of the day, Mr. Hawke told the 146 conference delegates that the government was now working on an amended package.

Treasurer Paul Keating told the conference that the objections levelled at the proposals so far could only lead to a reduction in the potential revenue from the proposed changes. The proposed changes are based on a switch in emphasis from direct to indirect taxation. A universal consumption tax of 12.5 percent would be introduced, replacing existing sales and wholesale taxes and enabling reductions in income tax particularly for middle income earners.

At the same time the government is proposing an increase in business taxation to provide the funds to compensate social welfare beneficiaries and to assist with the income tax cuts for taxpayers in the lower wages bracket.

Business groups today especially reacted to media coverage which suggested that opposition to the government's proposals when the conference opened yesterday had been so strong that the cause of tax reform was not lost. Eric Mayer of the Business Council of Australia said his organization strongly supported the central thrust of the changes, namely the introduction of a single rate consumption tax to make possible a substantial reduction in personal income tax rates. Mr. Mayer renewed the objections of the business community to the proposal to introduce capital gains taxation. He said that as a disincentive to investment the cost would be too high.

NEW ZEALANDMINISTRY ANNOUNCES ACCEPTANCE OF 650 REFUGEES

BK280624 Bangkok BANGKOK POST in English 28 Jun 85 p 5

[Text] New Zealand has announced that this year it will accept 650 Indochinese refugees from camps in Southeast Asia as in previous years. The announcement was made in Wellington on Wednesday by Minister of Immigration Kerry Burke.

In announcing that the Indochinese Refugee Resettlement Programme for 1985/86 would continue at current levels, Mr Burke said that the immediate family relations criteria would be widened to permit New Zealand residents to nominate cousins, aunts and uncles who were registered refugees and were still in camps in Southeast Asia. He said that there was a possibility that the 650 intake figure would be increased later in the year. He also said 25 places will be allocated to each of the UNHCR's special resettlement programmes for boat people.

JAKARTA CITES MOKHTAR ON SRV TALKS PROPOSAL

BK021230 Jakarta Domestic Service in Indonesian 1200 GMT 2 Jul 85

[Text] Vietnam has expressed readiness to hold high-level talks with the United States within 2 years to settle the problem of U.S. servicemen missing in action during the Vietnam war some years ago. The Vietnamese readiness, which was conveyed by the Vietnamese ambassador to Indonesia to President Suharto, was disclosed by Foreign Minister Mokhtar Kusumaatmaja to newsmen at Jakarta's Halim Perdana Kusuma Airport this morning when he welcomed his Malaysian counterpart, Tengku Ahmad Rithauddeen.

According to Foreign Minister Mokhtar Kusumaatmaja, the Vietnamese readiness constitutes an important development in the Vietnamese-U.S. relations because Vietnam has so far only been ready to discuss the MIA problem at the technical or ad hoc level. Minister Mokhtar went on to say that he had conveyed the Vietnamese message to U.S. Ambassador in Jakarta John Holdridge, who would later pass it to U.S. Secretary of State George Shultz.

RITHAUDDEEN, MOKHTAR DISCUSS PROXIMITY TALKS

BK021433 Kuala Lumpur Domestic Service in Malay 1230 GMT 2 Jul 85

[Text] Foreign Affairs Minister Tengku Ahmad Rithauddeen said he will discuss the proposal to hold proximity talks in an effort to resolve the Cambodian issue with Professor Mokhtar Kusumaatmaja, his Indonesian counterpart. He made the statement after his arrival in Jakarta today to discuss with Professor Mokhtar the agenda for the ASEAN foreign ministers' conference which is to be held in Kuala Lumpur soon.

Tengku Rithauddeen, who is accompanied by Tan Sri Zainal Abidin Sulong, the secretary general of the Foreign Ministry, said that the proposal had been accepted in principle by the ASEAN foreign ministers. At present, the ASEAN executive officials are making a study of the venue for the next ASEAN foreign ministers conference. A final decision will be made by the ministers concerned to provide a guideline to carry out a follow-up to the proximity talks. According to Tengku Rithauddeen, the proposal will be handed over to the parties concerned in Cambodia only after all the details have been worked out. The Cambodian issue is one of the important issues which will be discussed at next week's ASEAN foreign ministers conference.

PAPERS VIEW EUROPEAN PARLIAMENT RESOLUTIONS

BK01030. Jakarta Domestic Service in Indonesian 0600 GMT 1 Jul 85

[From the press review]

[Text] Two recent European Parliament resolutions interfering in Indonesia's internal affairs today draw the attention of several papers in the capital and regions. The resolutions regret among other things the execution of Munir, an Indonesian Communist Party [PKI] leader in West Java.

ANGKATAN BERSENJATA likens the European Parliament resolutions to thunder in broad daylight for the Indonesian people because the European Parliament has in this regard interfered in Indonesia's internal affairs. The death sentences on 41 defendants in open court sessions in Indonesia were based on legal procedures in force by taking humanitarian aspects into account in accordance with Pancasila teachings.

Nonetheless, ANGKATAN BERSENJATA says that we must show our (?patience) and goodwill in straightening out the European Parliament's stand.

Meanwhile, PELITA says that the European Parliament, having 10 member countries, has apparently done an impossible task and made a big blunder with the resolutions interfering in Indonesia's internal affairs, because the prestigious parliament has damaged its own integrity in the international forum by recklessly adopting the resolutions on Indonesian affairs, of which it is ignorant. According to the paper our formal and informal leaders have a strong reason to call for consistent vigilance against the latent communist danger because the European Parliament resolutions originated from [words indistinct] communist sources roaming abroad.

PIKIRAN RAKYAT of Bandung asserts that the European Parliament resolutions have hurt all of us because the European Parliament considers that the people's sovereignty in Indonesia no longer rests in the hands of Indonesia people. We are proud of the fact that Indonesia's sovereignty rests with the people. [passage indistinct] According to the paper, it is ourselves who fully know whether human rights in Indonesia are respected or violated because we are directly involved.

Like the previous papers a SINAR PAGI editorial considers the European Parliament resolutions as baseless and incompatible with the principles of universal law and human rights themselves. In fact, the resolutions amount to interfering in the internal affairs of independent and fully sovereign Indonesia. Certainly, we consistently assert the rule of law in the country under the 1945 Constitution and pancasila by consistently upholding universal principles and the basic rights of convicts, particularly those under death sentence. According to the paper, it should be noted that the political moves of the European Parliament have been controlled by the communists.

MALAYSIAMEMORANDUM SIGNED ON THAI BORDER DEMARCATION

BK021016 Kuala Lumpur International Service in English 0600 GMT 2 Jul 85

[Text] The 12th joint Malaysia-Thailand land boundary meeting ended this morning with the signing of the 10th memorandum of understanding to mark the conclusion of boundary demarcation covering a distance of 99.7 km. The memorandum was signed by the joint chairmen, Datuk Nazaruddin Bahari, on behalf of Malaysia and General Athit Kamlang-ek of Thailand.

Speaking to radio news, Datuk Nazaruddin said: The 2-day meeting reviewed the progress of the demarcation and survey of the common border from April 1984 to April this year. A total of 87.4 km had been demarcated, and 3,103 boundary markers were implaced during the period. The meeting also discussed the staging and selection of the next priority areas to be demarcated and surveyed during a total of about 20 km. The final stage of the boundary to be surveyed will be completed by September. Datuk Nazaruddin says the demarcation and joint survey have contributed toward a better social economic development for the benefit of the people of both sides of the border. The 13th meeting of the joint committee will be held in Bangkok in March next year.

FOREIGN POLICY TO BE BASED ON ECONOMIC ISSUES

BK011047 Kuala Lumpur NEW STRAITS TIMES in English 29 Jun 85 p 1

[By Syed Abu Bakar]

[Text] Kota Baru, Fri. -- The country is embarking on a new foreign policy which will be based more on trade and economic matters rather than on political consideration only. The policy, approved by the Cabinet two weeks ago, is aimed at increasing economic cooperation with other countries, Foreign Minister Tengku Ahmad Rithauddeen said today. All Malaysian representatives abroad and officers of the Foreign Ministry will be required to acquaint themselves with commercial and economic matters. Speaking to reporters after opening the Kota Baru Umno division general meeting, he said heads of Malaysian foreign missions would be recalled for briefing on the new policy at the end of this year or early next year.

Tengku Rithauddeen said Wisma Putra officers would from now on also stress economic cooperation instead of only political cooperation with foreign countries. The new policy was adopted in line with the wishes of Prime Minister Datuk Sri Dr Mahathir Mohamed who wanted increased trade with other countries. He said the policy should enable Malaysian exporters to penetrate the markets of certain countries which had protectionist policies against Malaysian goods. Officers recruited by the Ministry would be required to have economic qualifications besides those suitable for foreign office work and serving officers would be trained on trade and economic matters.

PRESIDENT CONGRATULATES GROMYKO ON NEW POST

HK030436 Manila Far East Broadcasting Company in English 2300 GMT 2 Jul 85

[Text] President Marcos yesterday [2 July] congratulated Foreign Minister Andrey Gromyko on his election to the presidency of the Soviet Union. The president praised Gromyko, saying he would bring to the office a wealth of experience in foreign affairs, a deep intimacy with global issues, and the high regard and respect of leaders all over the world. The president said that the Philippines looks forward to closer relations and greater cooperation with the Soviet Union under the new leader.

MEMBER OF PARLIAMENT ON MARTIAL LAW RUMORS

HK021106 Manila Far East Broadcasting Company in Tagalog 1000 GMT 2 Jul 85

[Text] Whether or not martial law will be declared once again is up to President Marcos. Under the law, only the president can impose martial law. This was said by Member of Parliament Arturo Pacificador who said that only the president knows the true situation in the country.

This statement was made by Pacificador in the face of rumors circulating in Manila about the re-imposition of martial law in the country. Pacificador said, however, that such a step would be taken only if the government felt that there was no other recourse to the nation's problems.

BROADCASTERS EDITORIAL ON KILLING OF COMMENTATOR

HK021208 Manila Radio Veritas in Tagalog 1000 GMT 2 Jul 85

[Editorial by the Philippine Union of Broadcasters -- read in English]

[Text] Crusading radio commentators and news reporters are falling by the wayside. Most of them were known for their attacks on corrupt public officials, abusive military men, crooked politicians, and unscrupulous businessmen. The latest killing of radio broadcasters took place last night in Iloilo City, where a popular radio commentator and his two companions were shot dead while eating at a roadside restaurant. The fatalities were identified as Eddie Suede of DYFM Radio Bombo and his companions Noel Galido, a radio reporter, and a certain Paquing Parcon, a GSIS [Government Security and Insurance Service] employee. They were shot at a close range and they died within the hour. A local official said that the three were drinking inside the eatery just in front of the University of the Philippines, Visayas, when several unidentified armed men approached them and started shooting. The witness requested that his name be withheld and not be mentioned on the air.

The latest victim brings to 16 the number of radio broadcasters killed as a result of their campaign for good government and reforms in our society. How many more lives of broadcasters will have to be sacrificed in our common effort to cleanse our government offices of graft and corruption, to minimize, if not totally eradicate, abuses in some establishments, and to institute reforms and changes in our decadent society? We shudder to think of the death toll in this crusade. What comes to mind at once are the names of Pabling (Magulabnan), (Bingkong), Vic Villordon of DYLA, and Charlie Aberilla of DXWG, among others. Many of the killers are still at large. It is horrible, but while we condemn these dastardly acts committed against our brothers in the profession, we should be just as quick in censuring unwarranted remarks and false accusations by irresponsible media practitioners who are out to use their calling for selfish interests at the expense of others. This is why we support the objectives of the Philippine Union of Broadcasters [PUB] to professionalize and rationalize the broadcast industry. We believe that while freedom of speech is enshrined in our Constitution, this does not give radio commentators, announcers, and news reporters the license to publicly profane, swear, soil the names and besmirch the reputations of other persons.

Where and when a person is accused of a foul deed, that person must be given an equal chance and opportunity to air his side and defend his integrity. But certainly killing is not the way to redress grievances. We cannot right a wrong by another mistake. We cannot take the law in our hands. Courts have been instituted for the proper dispensation of justice. We appeal, therefore, for sobriety in the face of these senseless killings. We are calling on the government and military authorities to help bring to justice the perpetrators of these heinous crimes.

BISHOP ESCALER ESTIMATES NPA 50 PERCENT STRONGER

HK021236 Hong Kong AFP in English 1148 GMT 2 Jul 85

[Excerpt] Manila, July 2 (AFP) -- Communist guerilla strength has grown by at least 50 percent since 1983 on the southern island of Mindanao, influential Roman Catholic Bishop Federico Escaler said today. But Bishop Escaler, whose Ipil Diocese in Western Mindanao is rocked by communist and Moslem separatist insurgency, discounted predictions that revolution would break out on the island in five years, "because the people are not sold to the idea."

The bishop told the Foreign Correspondents' Association of the Philippines that spokesmen for the communist New People's Army (NPA) whom he had met in his diocese had claimed there were 10,000 NPA guerillas in Mindanao alone. He described this claim as exaggerated, but said he believed that NPA strength had grown by at least 50 percent since he warned two years ago that urgent reforms were needed in Mindanao to check the deteriorating situation there.

"People are really fed up with the present government," said the 63-year-old Jesuit, a leading figure among church militants in this largely Roman Catholic country. He predicted that 80 percent of Mindanao's voters would support the opposition if "clean" presidential and local government elections were held next year.

The presidential election is officially set for 1987 and the local government election for next year. Mindanao has 5.6 million of the country's 24 million registered voters. However, Bishop Escaler stressed that he did not believe that Mindanao would be engulfed by revolution within the next five years, saying there would only be pockets of conflict and that the greater danger was in the large cities. The bishop, who last February was kidnapped by Moslem separatists but freed after four days, said that the Mindanao situation was "frightening" and warned that urgent reforms were needed. He said the NPA was committing abuses and atrocities, including forced taxation of peasants and liquidation of suspected government informers as well as local officials "just because they happen to be on the government side."

RICE DISTRIBUTION SPEEDED UP FOR SUGAR WORKERS

HK010422 Manila Far East Broadcasting Company in English 2300 GMT 30 Jun 85

[Text] President Marcos yesterday [30 June] approved a revised scheme to speed up the distribution of rice for displaced sugar workers and their families in Negros Occidental. The new scheme is expected to iron out difficulties in distributing 170,000 cavans of rice to needy folk in the province. The president had approved on 1 May the release of that quantity of rice to distressed sugar workers in critical barangays in the province which has been hard-hit by troubles affecting the sugar industry. The president noted that, because of the cumbersome requirements needed to get rice assistance, only 10,000 sacks of rice have been released. Current rules require that the beneficiary be an SSS [Social Security System] member of eligible for social amelioration assistance. Under the scheme, approved on the recommendation of Agriculture and Food Minister Salvador Escudero, barangay officials and sugar planters would certify the list of workers entitled to receive rice loans regardless of whether or not they are SSS members.

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